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Direct Elections to the European Assembly

The House of Commons accepted the principle of direct elections to the European Assembly on 7 July, when the European Assembly Elections Bill was given a second reading, by 394 votes to 147, a Government majority of 247.

Although committed to taking part in direct elections to the Assembly, the Government allowed Labour MPs a free vote on the Bill. Of the Labour members who voted, 126 voted for and 124 against.[1] The Conservative Party imposed a three-line whip in favour of the Bill, though 14 Conservatives voted against it. The Liberals also gave the Bill their approval.

Opening the two-day debate (*Hansard*, 6.7.77, cols 1250-382 and 7.7.77, cols 1436-570), the Home Secretary, Mr Merlyn Rees, said: 'The Government accept that the Community is a developing one and it is right that we should now move towards direct elections to the European Assembly. After 19 years of nominating members of the Assembly from the national legislatures of the member states, the time has now come to provide for direct elections on the basis of universal suffrage. At the time of the referendum campaign the non-democratic nature of the European Assembly was rightly criticised and direct elections will provide a new accountability of the members to their local electorates.'

The effect of the Bill's second reading is to confirm acceptance of the principle of direct elections to the European Assembly: the Bill, the details of which are described below, has been so worded that the choice of an electoral system – between the regional list system of proportional representation and the simple majority system – will not be made until its committee stage. For reasons set out in its White Paper, *Direct Elections to the European Assembly* (see pp 179-80), the Government has recommended to the House of Commons acceptance of the regional list system. During the debate, however, Mr Rees observed: 'Whilst I acknowledge that support for such a system is of course an important step in favour of proportionality, I want to emphasise that our support for a proportional representation system of election can only extend to this particular election to this particular body.'

On the question of the date of the first elections in Britain to the Assembly, the Secretary of State for Foreign and Commonwealth Affairs, Dr David Owen, reaffirmed the Government's commitment to use its best endeavours to be ready by the target date of May or June 1978 (see p 179). However, the Home Secretary indicated that progress towards the holding of the first election would be more rapid if the electoral system chosen was the regional list system. This was because the simple majority system involved the demarcation of new constituencies by the Boundary Commissioners, which would take some time.

In this connection, the Prime Minister, Mr Callaghan, said (*Hansard*, 6.7.77, col 1271): 'There is such a fundamental issue between the regional list and first-past-the-post systems that ... we should not tie ourselves and say in all circumstances that because we have said we shall try to meet the 1978 target, that must rule out any alternative system of election.'

On the principle of the Bill, the Conservative spokesman on foreign affairs, Mr John Davies, said that direct elections to the European Assembly were the next step in the evolution of a truly democratic Community (*Hansard*, 6.7.77, cols 1261-73). 'The Conservative Party believes in a European future', he said. 'We have said so repeatedly when this subject has been debated.' He indicated that he was not over-concerned as to which of the electoral methods was adopted, but added that the failure of Britain to meet the target date would be regarded with concern by its partners in Europe.

The leader of the Liberal Party, Mr David Steel, said that the biggest single improvement he would like to see in the Community was that it should become more democratic and less bureaucratic (*Hansard*, 6.7.77, cols 1273-7). He would have preferred that the Bill contained provision only for a regional list system of election, but it was 'perfectly understandable and acceptable as a means of providing the House with full alternatives set out in legislative form'.

THE EUROPEAN ASSEMBLY ELECTIONS BILL

The European Assembly Elections Bill provides in its first part that the 81 seats allocated to Britain should be divided as follows: 66 representatives

[1] Among the Labour members who voted against the Bill were six members of the Cabinet and 26 junior ministers. The dissenting Cabinet ministers were Mr Michael Foot, Mr Anthony Wedgwood Benn, Mr Peter Shore, Mr Albert Booth, Mr John Silkin and Mr Stanley Orme.

from England; 8 from Scotland; 4 from Wales; and 3 from Northern Ireland. The Bill also provides that the elections shall be held on a regional list system; however, this is subject to a provision that would enable the House of Commons to substitute the simple majority system (with the single transferable vote system in Northern Ireland) if it so decides.

The regional list system corresponds to that outlined in the White Paper on Direct Elections. The details of the list system are given in Part II of the Bill. The proposed electoral regions for this scheme are Scotland, Wales, Northern Ireland, and the eight Economic Planning Regions of England, with a separate region consisting of Greater London. Under this system, electors would each have one vote which they would cast for a named candidate in their region; but the votes of all the candidates in one political party or group in a region would be added together, with seats being allocated in the region in accordance with the group's or party's share of the total regional vote. Candidates who wish to declare themselves as members of the same political party or group would be required to be nominated on a joint nomination paper. All nominations would have to be supported by a proposer, a seconder and 48 other signatures. Candidates would also be required to make a deposit of £500, which would be returnable to all the candidates of a group which obtained one-quarter of the electoral quota or succeeded in obtaining at least one seat.

If a vacancy should occur between elections, it would be offered to the next candidate of the party or group that held the seat. If no such candidate was able or willing to take the vacant seat, it would then be necessary to hold a by-election.

Other clauses in Part II of the Bill make provision for the franchise, disqualification for candidature, and judicial proceedings relating to any disqualification. The Bill proposes that the franchise should be as for elections to the United Kingdom Parliament with the inclusion of peers. There is no requirement in the Bill that candidates should be Members of Parliament.

Part III of the Bill includes miscellaneous and supplemental provisions. The most important of these relate to the prohibition of double voting, and the payment of expenses incurred under the Bill. It is considered that the cost of holding the elections is likely to be £10 million every five years.

The Bill also describes the application of the simple majority system of voting, should this be preferred by Parliament. In England, Scotland and Wales, there would be single-member constituencies drawn up by the respective Parliamentary Boundary Commissions, and based on groupings of present parliamentary constituencies. Northern Ireland would constitute a single three-member constituency and elections there would take place using the single transferable vote system (a system that is already in use for local government elections).

Devolution in Great Britain

The Government has accepted that there can be no more progress during the current parliamentary session towards establishing elected assemblies for Scotland and Wales, but has affirmed its intention of enacting legislation during the next session.

The Lord President of the Council and Leader of the House of Commons, Mr Michael Foot, said in a statement to the House of Commons on 14 June (*Hansard,* cols 225-7) that there would be no useful purpose in appointing a select committee of the House to consider further the Scotland and Wales Bill.

Following the defeat of the guillotine motion that would have put a timetable on the examination of the Bill during its committee stage (see p 92), the Government suggested referring the Bill to a select committee of the House which would consider its provisions within the general framework of the decisions which the House of Commons had already reached during the vote on the second reading (see pp 5-7), and which would produce legislative proposals at an early date.

Mr Foot told MPs that the Scottish National Party had declined to discuss with the Government the appointment of a select committee, and that the Conservative Party had 'proposed wide-ranging terms of reference which in the view of the Government put at issue the whole concept of devolution and were consistent neither with the decisions of the House nor with early action by the House'.

He said that the Government was now consulting its own supporters, together with the Liberal Party, on its legislative proposals and would welcome representations from other parties in the Commons. It was the Government's objective that legislation should be enacted next session.

He added: 'The Government remains wholly committed to the establishment of directly-elected assemblies for Scotland and Wales. We believe that it is essential that Parliament should seek to reform our system of government to give the people of Scotland and Wales a more effective and democratic influence on those matters of government which directly concern them within the context of the unity of the United Kingdom.'

Royal Commission on Criminal Procedure

The setting up of a Royal Commission on Criminal Procedure was announced by the Prime Minister, Mr James Callaghan, on 23 June. The terms of reference are:

To examine, having regard both to the interests of the community in bringing offenders to justice and to the rights and liberties of persons suspected or accused of crime, and taking into account also the need for the efficient and economical use of resources, whether changes are needed in England and Wales in

1 the powers and duties of the police in respect of the investigation of criminal offences and the rights and duties of suspects and accused persons, including the means by which these are secured;

2 the process of and responsibility for the prosecution of criminal offences;

3 such other features of criminal procedure and evidence as relate to the above;

and to make recommendations.

In a statement issued by the Prime Minister's office, Mr Callaghan said that in recent years 'there have been a number of reforms adopted or proposed with the object of improving the safeguards for individuals accused of criminal offences. The pressure for changes in this direction continues. On the other hand there has been a continuing rise in the level of crime, and it is increasingly being argued that the job of the police in fighting crime and of seeing that offenders, and particularly dangerous criminals, are brought to justice, is being made unwarrantably difficult by the restraints of criminal procedure. There is a balance to be struck here between the interest of the whole community and the rights and liberties of the individual citizen. The Government consider that the time has come for the whole criminal process, from investigation to trial, to be reviewed with that fundamental balance in mind. This will be the central task of this Royal Commission. We believe that such a review is made all the more important by the need to find more economic and efficient ways of enabling the police and courts to meet the burden of business that presses upon them.'

The Prime Minister added that improvements would continue to be made within the existing framework as the Royal Commission would be concerned essentially with matters of principle. The Home Secretary and the Attorney General would be reviewing the arrangements for prosecutions and the inter-relationships between the Director of Public Prosecutions and other prosecutors. Mr Callaghan said that the review would include the amendment of the Prosecution of Offences Regulations 1946 (governing the offences which have to be referred by the police to the Director of Public Prosecutions) and the implementation, within available resources, of the recommendation of the 1962 Royal Commission on the Police that every police force in England and Wales should have a prosecuting solicitors' department.

An account of the criminal justice system is contained in COI reference pamphlet, *Criminal Justice in Britain*, R5984/75.

EXTERNAL AFFAIRS AND DEFENCE

Commonwealth Heads of Government Meeting

The twenty-first meeting of the Commonwealth Heads of Government was held at Lancaster House, London, from 8 to 15 June. Thirty-three members of the Commonwealth were represented.[1] Both Papua New Guinea and the Seychelles have become members on achieving independence since the Commonwealth leaders last met in Kingston, Jamaica, in May 1975 (see pp 184-91, 1975). Britain was represented at the London meeting by the Prime Minister, Mr James Callaghan, who, as the leader of the host country, also acted as chairman, and by the Foreign and Commonwealth Secretary, Dr David Owen.

In reviewing the international situation, subjects of major interest to Heads of Government included Southern Africa, the search for a new world economic order and human rights. An agreement was reached, and a joint Commonwealth statement issued, on the question of apartheid in sport (see p 261). The meeting also considered Cyprus, the Middle East, Belize, and the Indian Ocean.

FINAL COMMUNIQUÉ

The communiqué, issued on 15 June, represents the broad consensus of the Commonwealth as a whole on these matters. More generally, Commonwealth leaders discussed the changes which were taking place in international relations and which emphasised the interdependence of all countries. In a situation in which there was an increasing diffusion of power, Heads of Government from their different perspectives agreed that a recognition by all countries of the full implications of interdependence was the only basis on which global consensus could be established. They believed that the Commonwealth with its unique potential for fostering co-operation among its diverse membership could significantly assist the international community in advancing global accord.

Southern Africa

Heads of Government reviewed the significant developments in Southern Africa since their Kingston meeting and 'reaffirmed their total support for the struggle in Zimbabwe and Namibia and for the just demands of the oppressed of South Africa'. There was, however, deep concern over the escalation of the armed struggle in Zimbabwe and Namibia (see p 395, 1975) arising from the failure to reach a negotiated settlement. The conference 'condemned the repeated threats to and violations of the territorial integrity of Angola, Botswana, Mozambique, and Zambia .... These grave developments warrant the most urgent and effective action to ensure the speedy liberation of the oppressed peoples of Southern Africa and [Heads of Government] renewed their committment to this end.'

Rhodesia

On the question of Rhodesia the communiqué 'reiterated that the independence of Zimbabwe must be achieved on the basis of majority rule'. Heads of Government 'recognized therefore that it is necessary to mobilise and exert maximum pressure on the illegal Smith regime. In this connection they noted that the armed struggle has become complementary to other efforts including a negotiated settlement and agreed that its maintenance was inevitable.' At the same time, they welcomed the renewed attempts to reach a negotiated settlement (and took note of the British statement regarding the timetable for the independence of Zimbabwe in 1978 – see p 263), though doubts were expressed about the prospect of their success. Heads of Government recognized that 'a genuine settlement must involve agreement not only on appropriate constitutional changes but also on practical measures to ensure the transfer of effective power to a majority government'. The meeting also condemned South Africa for 'the military and economic support which it continues to give the illegal regime'.

In approving the report of the Commonwealth Sanctions Committee, Heads of Government noted the continued massive evasions, particularly of petrol and petrol products, which enabled the Rhodesian economy to survive and, in some sectors, to expand. There was concern that 'these evasions were being systematically facilitated and their prevention inhibited by the policies and legislation of various countries maintained in defiance of the Charter of the United Nations'. Leaders 'undertook to re-examine legislation with a view to strengthening enforcement procedures in their respective countries so as to prohibit the export, by their corporate entities and nationals,

[1]Thirty-five independent members of the Commonwealth were entitled to attend. The Seychelles, where a military coup had occurred on 5 June, and Uganda were not represented. On 27 May, Dr Owen had told the House of Commons (*Hansard*, cols 1777-815) that it was 'the Government's hope that, in the interests of the Commonwealth, President Amin will decide not to attend the Commonwealth Heads of Government meeting in London'.

of petroleum and petroleum products which might find their way to Rhodesia'. More generally, Heads of Government agreed to take action at the international level for the reinforcement and extension of sanctions.

Namibia

On Namibia, the communiqué stated, 'Heads of Government condemned South Africa's continued illegal occupation of and its military presence in Namibia', and 'reaffirmed the inalienable right of the people of Namibia to self-determination, independence and territorial integrity' as well as their right 'to choose their own Government in free elections under United Nations' supervision and control. They rejected as totally unacceptable any arrangements for independence based on the system of "bantustans" and apartheid and on the exclusion of SWAPO [South West Africa People's Organisation] from participation in the electoral process. Accordingly they called on South Africa to act immediately to end its illegal occupation, to release all political prisoners and ... to transfer power within the framework of principles established by United Nations resolutions .... Heads of Government noted that two of their number [Britain and Canada] were involved in the five-power initiative[1] in relation to Namibia and expressed the hope that it would contribute to the transfer of power. They urged the international community to take urgent action to apply an immediate arms embargo against South Africa and to make such an embargo effective.'

South Africa

In their discussion of apartheid, Heads of Government 'deplored and condemned South Africa's attempts to perpetuate ... apartheid with its denial of political rights by the creation of the so-called "homelands" and reaffirmed that these "bantustans", which are not sovereign states, should not be afforded any recognition by Commonwealth countries and the rest of the international community'. They urged the international community to take effective measures to bring about majority rule. Concerned that South Africa has the potential for the development of nuclear weapons, they urged any nation which collaborates with South Africa in the development of its nuclear industry to desist from doing so.

Co-ordinated Action

Recognising the urgent need for increased and sustained international support and assistance for the peoples of Southern Africa, Heads of Government welcomed the success of the international Conference in Support of the Peoples of Zimbabwe and Namibia held in Mozambique.[2] 'They agreed that the Maputo Declaration and Programme of Action, notwithstanding the reservations expressed at the time by a few Governments ... provided a framework for specific action ... in furtherance of their common purpose of achieving independence in Zimbabwe and Namibia with majority rule.' Commending the Front Line States for their efforts in advancing the cause of freedom and independence in Southern Africa, Heads of Government called upon all countries to accord them full support and assistance, and requested the Secretary-General to undertake a study of the economic costs to the Front Line States of the liberation movements. They also called for support for the neighbouring Commonwealth countries who were also experiencing difficulties in coping with the influx of refugees from Southern Africa.

There was satisfaction that the effective manner in which Commonwealth multilateral assistance had been provided for Southern Africa, and Heads of Government 'pledged continuing support for the special Commonwealth programme for the people of Zimbabwe and for comparable assistance ... to the people of Namibia through the Commonwealth Fund for Technical Co-operation. They appreciated the need to increase the resources available and to broaden the scope of such programmes. They also noted with approval the programme of technical assistance financed by the Commonwealth Fund for Mozambique.' Heads of Government also reiterated their readiness to respond positively to the evolving situation in Zimbabwe and to the needs of a legitimate Government both before and after independence. 'They requested the Secretary-General to undertake all necessary preparatory studies on the range of assistance which the Commonwealth could ... extend to that country.'

Human Rights

Recalling the Singapore Declaration of Commonwealth Principles (see p 65, 1971), 'Heads of Government reiterated their belief in the fundamental rights of all men to life and liberty, to those personal freedoms that are the common heritage of their peoples and to respect for human dignity and the equal rights of all men [see p 383, 1976]. Mindful that the realisation of these rights the world over was a continuing if sometimes faltering pursuit, they reaffirmed their commitment to advancing respect for human rights in all their fundamental aspects: for economic, social and cultural rights no less than for civil and political rights. The effective enjoyment and protection of these rights was a cause to which the Commonwealth was resolutely committed.

'Cognisant of the accumulated evidence of sustained disregard for the sanctity of life and of massive violation of basic human rights in Uganda', the communiqué continued, 'it was the overwhelming view of Commonwealth leaders that these excesses were so gross as to warrant the world's concern and to evoke the condemnation by Heads of Government in strong and unequivocal terms. Mindful that the people of Uganda were within the fraternity of Commonwealth fellowship, Heads of Government looked to the day when the people of Uganda would once more fully enjoy

[1] Recent discussions between the delegates of Britain, Canada, France, the Federal Republic of Germany and the United States, each of which is a member of the UN Security Council, and the South African Government, with a view to reaching an internationally acceptable settlement for Namibia's independence.

[2] The Conference in Support of the Peoples of Zimbabwe and Namibia was held at Maputo, Mozambique, from 16 to 21 May 1977 and was organised following a UN General Assembly decision of December 1976. It stemmed from a visit to the Front Line States by a fact-finding mission from the UN Special Committee of 24 on decolonisation.

their basic human rights which now were being so cruelly denied.'

Cyprus

Heads of Government reaffirmed their position of solidarity with the Government and people of Cyprus and their support for United Nations' resolutions on Cyprus. They 'expressed deep concern that these resolutions have remained unimplemented. They called for their urgent implementation in all their parts and for continued efforts through the inter-communal talks to reach freely a mutually acceptable political settlement . . . within the framework of the United Nations' resolutions and in accordance with the four guidelines agreed upon at the meeting of 12 February 1977 between President Makarios and Mr Denktash ' (see p 102).

Middle East

On the Middle East (see p 102) the communiqué stated that Heads of Government 'renewed their conviction that no real progress towards peace was possible until the relevant resolutions of the United Nations are implemented and the right of the Palestinian people to their own homeland is recognised'. To this end, they urged all the parties concerned to renew their efforts for the establishment of a durable peace in the area and 'called for the early convening of the Geneva Conference with the full participation of the authentic and legitimate representatives of the Palestinian people'.

Belize

Calling upon all States to respect the right of the people of Belize (see pp 14-16, 1976) to self-determination, independence and territorial integrity, Heads of Government stated that there could be no settlement of the question without the full consent of the Government and people of Belize, and 'pledged their co-operation in securing such a settlement'. They agreed to establish a ministerial committee to keep the situation under review and 'to assist the parties concerned in finding early and effective arrangements for the independence of Belize on the basis of views expressed at meetings of Commonwealth Heads of Government and in accordance with the Charter and relevant resolutions of the United Nations'.

Indian Ocean

'Heads of Government reaffirmed their own interest in and support for peace, stability and development in the Indian Ocean area' (see pp 185-6, 1975) and 'welcomed recent developments which suggested distinct changes in the attitudes of the Great Powers towards the establishment of the Indian Ocean as a zone of peace. . . . The hope was expressed that the Great Powers and the major maritime users of the Indian Ocean would actively co-operate with the littoral and hinterland states and with the ad hoc committee of the United Nations in the context of on-going consultations for convening a conference on the Indian Ocean with a view to implementation of the United Nations Declaration on the Indian Ocean as a zone of peace.'

Economic Affairs

Reviewing the world economic situation and the present stage of international economic co-operation, Heads of Government agreed that 'the need for a rational and equitable order . . . was now more urgent than ever before'. Their discussions also confirmed the extent of the interdependence of the world economy, recognising that economic growth in industrialised countries provided the impetus for development in poorer countries. They also accepted that rapid development in the developing world would be a positive factor for growth and recovery in developed countries.

Heads of Government recognised that the North-South dialogue had advanced since their Kingston meeting and welcomed the steps which had been taken by developed and developing countries prior to and at the Conference on International Economic Co-operation (CIEC, see p 228-9) to strengthen international co-operation and foster the recovery of the world economy. (The developing Commonwealth members, expressed dissatisfaction with the results of the CIEC.) They called for renewed efforts to advance the dialogue in a constructive spirit in the responsible international institutions.

In this context, Heads of Government considered the final report of the Commonwealth Experts' Group (see p 262) and, while recognising that 'some elements' of the report differed from the positions of some Governments, they endorsed it as a constructive contribution towards developing a specific action programme. Many of its proposals, they agreed, should be implemented 'with urgency' and should be 'incorporated in comprehensive and mutually reinforcing national and international policies to provide greater opportunity for development to the developing countries'. They decided to refer the report, together with the decisions on economic issues taken at the London meeting, to Commonwealth finance ministers as a basis for further international action.

Turning to specific aspects of the North-South dialogue, Heads of Government welcomed the agreement at the CIEC that a common fund should be established to help stabilise world commodity prices (see p 228-9), and agreed to work towards its early establishment. To this end they asked the Secretary-General to set up a small technical working group to examine the issues involved, with a view to facilitating greater progress at the common fund negotiating conference, organised by the United Nations Conference on Trade and Development, to be held in November. On energy matters, the meeting emphasised the need for the conservation and efficient use of energy resources, and called for increased international finance for energy investment; while, in discussing the multilateral trade negotiations (see p 394, 1973), the important contribution the European Community could make to enlarging markets for developing countries was stressed, as was the need for the Community to take further account of the interests of Commonwealth Asian countries. With regard to the world food situation, the conference agreed to support new initiatives for early implementation of the World Food Conference's decisions (see pp 21-3 and 145-6, 1975) including measures to improve world food security, such as the setting up of

internationally financed stocks and international reserves; and that the Food and Agricultural Organisation Commission on Fertilisers should be asked to consider a permanent international fertiliser supply scheme and to devise measures for ensuring adequate investment for fertiliser plants in developing countries. The Secretary-General was asked to convene an advisory group to report urgently on further practical programmes for increased food production and rural development.

The international monetary system, the Heads of Government considered, should be reformed to respond more rapidly and flexibly to the fundamental changes taking place in the conditions of international trade and payments. To this end they urged the implementation of the decision to make Special Drawing Rights the principal reserve asset in the monetary system (see pp 70-2 and 399-400, 1976); a general increase of at least 50 per cent in quotas at the Seventh Quota Review of the IMF and the adoption of provisions relating to 'conditionality' which would take account of political and social, as well as economic, problems and the need for economic growth (see p 192-3); and recommended studies on improving the machinery of recycling of funds from surplus to deficit countries and on reforming the international monetary system to make it more responsible to the requirements of a changing world economy.

In the field of development assistance, Heads of Government agreed to work toward the early enlargement of the capital of the World Bank and, at the proper time, of the regional development banks and the International Development Association. Developed Commonwealth countries committed themselves to increase their official development assistance with a view to reaching the 0·7 per cent target, and where applicable to improve the quality of their assistance, and the conference called upon all donors, irrespective of the social and economic systems, to do likewise. The need for co-operative efforts to finance major infrastructural works, adequate food supplies, rural development and programmes of regional co-operation was recognised, and, while agreeing that the poorer countries deserved priority, Heads of Government agreed that *per capita* income should not be the only consideration in the allocation of aid. With regard to debt problems, they agreed, as a matter of urgency, to examine actions which could be taken to alleviate the problems faced by non-oil developing countries.

Regarding rapid industrialisation as an 'indispensable element of balanced national development', the conference agreed on the importance of selecting and developing appropriate technology for any project and the need to adapt much existing technology to meeting developing countries' requirements. It underlined the importance of the UN Conference on Science and Technology to be held in New York in 1979. The Commonwealth team of industrial specialists is urged to identify in its final report a programme of Commonwealth action in industry, including, if necessary, establishment of new mechanisms for financing industrial development, and the transfer, development and diffusion of appropriate technology. The team was also asked to evaluate proposals for a Commonwealth Fund for Industrial Co-operation and Development and a Centre for the Development and Diffusion of Appropriate Technology, along with other possible mechanisms for industrial co-operation between countries of the Commonwealth.

Noting the persistence of trade restrictions on a number of products, particularly textiles and textile products, so important to the economies of developing countries, Heads of Government urged remedial action as conditions permit. They agreed that negotiations for a new multi-fibre arrangement should be carried out as soon as possible.

The Heads of Government welcomed the continuing expansion of the Commonwealth Fund for Technical Co-operation. They recognised the extent to which the fund was achieving its major purpose by demonstrating co-operation and mutual assistance and by strengthening multilateral links, and welcomed the intention of a number of countries to make substantial increases in their contributions.

STATEMENT ON APARTHEID IN SPORT

In a separate statement attached to the communiqué, Heads of Government reaffirmed that apartheid in sports, as in other fields, is an abomination and runs directly counter to the Declaration of Commonwealth Principles (see p 65, 1971). While 'conscious that sport is an important means of developing and fostering understanding between people ... of all countries', they were also aware that 'sporting contacts between their nationals and the nationals practising apartheid in sport tend to encourage the belief (however unwarranted) that they are prepared to condone this abhorrent policy or are less than totally committed to the principles embodied in their Singapore Declaration'. Therefore, 'they reaffirmed their full support for the international campaign against apartheid and welcomed the efforts of the United Nations to reach universally accepted approaches to the question of sporting contacts', and 'accepted it as the urgent duty of each of their Governments vigorously to combat ... apartheid by withholding any form of support for, and by taking every practical step to discourage contact or competition by their nationals with sporting organisations, teams or sportsmen from South Africa or from any other country where sports are organised on the basis of race, colour or ethnic origin'. Acknowledging that 'it was for each Government to determine in accordance with its laws the methods by which it might best discharge these commitments', they also recognised that 'the effective fulfilment of their commitments was essential to the harmonious development of Commonwealth sport hereafter'.

'Heads of Government welcomed the belief, unanimously expressed at their meeting, that in the light of their consultations and accord there were unlikely to be future sporting contacts of any significance between Commonwealth countries or their nationals and South Africa. ... On that basis, and having regard to their commitments, they looked forward with satisfaction to the holding of the Commonwealth Games in Edmonton and to the continued strengthening of Commonwealth sport generally.'

FINAL REPORT OF THE COMMONWEALTH EXPERTS' GROUP[1]

The Commonwealth Experts' Group was set up at the 1975 meeting of the Commonwealth Heads of Government to make proposals for bridging the gap between the rich and the poor in the context of the world dialogue on a new international economic order. The report, the last in a series of three (see pp 346-7, 1975), makes a large number of specific recommendations for action by Commonwealth Governments. It calls for a fundamental transformation of the world's socio-economic structure, saying that development strategies should 'give priority to the satisfaction of certain basic needs of the population as a whole'. Arrangements for international economic co-operation 'can make enduring contributions to transformation if they are deliberately designed to underpin comprehensive efforts at self-reliance by the developing countries'. The experts added that 'a new order must be founded on arrangements providing for genuine equality of opportunity and rewards between states and bring new relationships of interdependence in place of older patterns of dominance and dependence'.

Describing the common fund as the most important element of UNCTAD's integrated programme for commodities (see pp 285-8, 1975), the experts recommend an early pledge by the World Bank to its capital requirement as this would assist agreement on the creation of the fund. The International Monetary Fund (IMF) should also lend directly to the fund, through the creation of Special Drawing Rights, recognising buffer stock financing as an anti-recession device. Indexation should be an important element in commodity arrangements helping to improve the operation of market forces to ensure adequate long-term supplies and balance between long-term supply and demand. Compensatory financing arrangements for shortfalls in export earnings should be complementary to price stabilisation measures, the report says. It therefore recommends several improvements in the IMF's Compensatory Financing Facility (see pp 192-3), as the extent to which it meets export shortfalls is still very small in relation to the decline in real export earnings and the balance of payments problems of the developing countries.

Noting that long-term trends in food production in developing countries were far from satisfactory, the group points out that the average growth rate of 2·5 per cent a year between 1971 and 1975 was below the minimum rate of 4 per cent set by the World Food Conference (see pp 21-3 and 145-6, 1975). While there had been an increase in external assistance for agriculture, it was well below the level considered necessary. Although they welcome the establishment of the International Fund for Agricultural Development, the experts are concerned that a world food security system was still not in operation. Food exports from developing countries that produce a surplus should be encouraged. They strongly recommend that developing countries should give urgent priority to land reform, and that international agencies should provide technical and financial assistance to Governments undertaking such reform.

Calling for wider access to the markets of industrialised countries, the group agrees that concessions made under the Generalised System of Preferences, though important, are hedged with 'so many exceptions and safeguards that make effective long-term planning difficult'. They argue against the view that the removal of import curbs would cause serious disruption in the industrialised countries, and consider that the relocation of some industries from industrialised to developing countries would be in the interests of both. They urge that resources of oil-producing countries should be mobilised for industrialisation, and see transnational enterprises as having a positive role to play in promoting industrialisation. Noting the trend among countries with centrally planned economies to transfer labour-intensive industries to their developing members, the experts call upon them to extend this to a larger number of developing countries.

The report recognises that developing countries must themselves continue to bear the main burden of mobilising financial and other resources for development and that there is scope for further improvement in national efforts. Nevertheless, external resources are needed to complement domestic efforts and ease foreign exchange restraints. The experts recommend that the forthcoming IMF quota review (see pp 192-3) should lead to a substantially larger increase in quotas than agreed at the last review, and that criteria for quotas should take the liquidity of developing countries in particular into account. Changes in the terms on which countries can borrow from the IMF are called for, so that borrowings are related to the extent and urgency of need and not on the size of a country's quotas. There should be further sales of gold by the IMF, with part of the profits continuing to be made available for development.

On official development assistance (ODA), the report notes that only two countries have attained the international target, while present needs require an ODA effort equivalent to at least 1 per cent of GNP by 1980. They urge agreement on a general increase in the World Bank's capital to enable at least a modest increase in the Bank's activities.

The experts support the proposal that the Third World nations should have a permanent secretariat, whose functions would include forging effective links with existing international institutions. They also call for improved voting rights for developing nations in the IMF and the World Bank to create a more balanced participation in their decision-making process, and for a larger share in their management for staff from developing countries.

BRITISH VIEWS

In his opening speech as chairman of the Commonwealth Heads of Government meeting on 8 June, the Prime Minister, Mr James Callaghan, said that 'it was not a common external threat, nor an identity of economic interest that binds the Commonwealth together', but 'a common desire to be aware of and to fully understand each other's point of view so that we can pool our strength in pursuit of

[1] *Towards a New International Economic Order:* a final report by a Commonwealth Experts' Group, issued by the Commonwealth Secretariat, London.

... common purposes'. There was general agreement, he said, that Commonwealth discussions were most successful when contributions were 'unscripted, informal and ... short. This encourages the meeting of minds which is the hallmark of successful Commonwealth conferences, for it gives ... a major opportunity to discuss privately problems of international concern from the viewpoint of our particular part of the world ....'

World Economic Problems

'The industrialised world', Mr Callaghan continued, 'is concerned about problems of unemployment at levels that have been unknown during the last forty years: problems of inflation; problems of slow growth of the great industrial economies; and the problem that the realities of everyday life fall short of our people's expectations. But all problems are comparative and by contrast in the developing world the questions are more stark and more elemental than they are in the industrialised world.' It was the task of the Commonwealth Heads of Government, Mr Callaghan emphasised, to seek answers to the questions about poverty and inequality and 'how best to use and develop the world's resources including the vital need for energy and the proper use of finite fossil fuels'. Neither should they fail to examine the problems of race relations and human rights.

Heads of Government had devoted much time to the global relationship between the rich and the poor at Kingston (see pp 184-91, 1975), and they had attempted to point the way forward. 'Yet we have failed', Mr Callaghan pointed out, 'to prevent the gulf between rich and poor which is great and growing .... 650 million of the world's people live in absolute poverty on an annual income of not more than $50 per head .... This remains the most serious challenge of our age and of our leadership', and 'we are pressed to seek answers that will make possible an easing of the burden of life for the poorest people in the world'. This was a moral and political challenge to the leadership of the Commonwealth.

Referring to the final report of the Commonwealth Experts' Group (see p 262), Mr Callaghan said that it had provided 'a most valuable set of ideas. Some will give greater difficulties than others; but we should be able to make progress on schemes to promote rural development and agricultural self-sufficiency, to achieve regional co-operation and give a fresh impulse to industrial co-operation – all these give the Commonwealth a field to work that can improve the lot of our people.'

There was much to do but there had been progress since the Kingston meeting, the Prime Minister said. It was now possible, for example, for countries badly hit by the price of oil to secure additional finance through the International Monetary Fund; the International Development Association had been given an extra $8 billion of funds; a new fund for agricultural development had been set up; and there was agreement on the need for a major increase in the International Monetary Fund's resources. 'After much discussion', Mr Callaghan went on, 'all major industrialised countries have agreed the principle of a Common Fund for commodity agreements, although the detailed working out will present many difficulties. Finally they had also agreed on additional aid of $1 billion for the poorest developing countries' (see pp 228-9). He added, however, that 'much more has to be done before we can lift the curse of poverty from much of the world's population'.

Southern Africa

On the problem of Southern Africa, Mr Callaghan said that 'Britain fervently hopes that there will be a peaceful and negotiated settlement to ensure the future of Zimbabwe and Namibia. The international community is united in its determination to bring independence and majority rule to both these countries. In Zimbabwe, Britain has consistently ... refused to consider a negotiated settlement which did not ensure that basic human rights and conditions for democracy are first established' and had recently 'embarked on yet another initiative aimed at bringing independence to Zimbabwe on the basis of majority rule before the end of 1978'. Britain would welcome a discussion of all matters concerning Southern Africa at the meeting. The Prime Minister, however, said that he wished to make clear that the 'cornerstone' of British policy was the 'deep-seated and unshakable belief in the rights of the individual and in the capacity of all men, regardless of colour and creed to live in conditions of equality and mutual respect'.

A more detailed account of recent British policy on Rhodesia was given by the Foreign and Commonwealth Secretary, Dr David Owen, during discussions at the Heads of Government meeting on 9 June. Dr Owen said that following his visit to Southern Africa (see pp 189-90) and his subsequent discussions with all the parties concerned, he was convinced 'that majority rule can still be brought about by negotiation and ... an independent Zimbabwe' could still be achieved in 1978 'given determination and commitment .... As long as the possibility – however small – of a negotiated settlement exists it is the inescapable moral obligation of the British Government to continue to search for peace, for it is only by a negotiated end to the fighting that a non-racial Zimbabwe ... can be brought into being.' Britain was determined to accept and honour its specific responsibility for Rhodesia.

The Foreign Secretary discussed the new British strategy since the proposals for an interim Government stalled at the Geneva conference (see pp 11-12 and 52-4). The new attempt to reach agreement on an independence constitution and on the transitional period (see pp 189-90) began in February this year. There were special advantages to this new strategy. Dr Owen said. It enabled Britain, in keeping with her legal responsibility for Rhodesia, to maintain overall control over the drafting of the constitution, since it is the British Parliament which must enact the constitution giving legal independence to Rhodesia; it enabled Britain to listen to all sides and form a judgment of the form of constitution most acceptable to all the people of Zimbabwe; and it ensured that no one section would have the absolute veto which existed at Geneva. There were, however, regrettable disadvantages to this strategy: violence continued

and recent events pointed to the danger of escalation.

Nevertheless, Dr Owen explained, he believed that this strategy fitted the harsh realities of the situation because 'the climate of trust ... does not yet exist. People of goodwill do not believe that the Rhodesian Front and Mr Smith intend to give up power.' On his discussions with Mr Smith, Dr Owen stated that Mr Smith 'had neither accepted nor rejected the proposals' which he had taken to Africa. Mr Smith 'reaffirmed, however, his acceptance of majority rule as an objective in 1978. Given the right conditions he made it clear that he could accept a transfer of power earlier rather than later in 1978.'

'The British Government', Dr Owen stated, 'is not making independence in 1978 a mere objective. For us it is an absolute essential for it is our judgment that failure to make that date will mean the inevitability of a violent transfer to majority rule .... A negotiated settlement in 1978 will bring independence and majority rule far more quickly than the armed struggle.

'In May', the Foreign Secretary continued, 'conditions were sufficiently favourable to lauch what has become known as the Anglo/US Consultative Group. The group has just completed a first round of discussions with all the parties concerned. First, on the possible contents of an independence constitution; second, on the democratic electoral process needed to bring about transition to majority rule; third, on ... measures that should be taken to support the future economy of Zimbabwe and how we can retain in that country the skills and commitment of many white people without whom in the early stages the new country would face greater difficulties. The Consultative Group', Dr Owen said, 'will return to Africa soon and have an important meeting with the Patriotic Front in Lusaka to follow up earlier separate meetings with Mr Nkomo and Mr Mugabe. They will keep in touch with the Front Line Presidents and the South African Government. They will continue to hold discussions with the widest possible spectrum of opinion within Rhodesia itself, including all the parties who were represented at the Geneva Conference. It is no part of the British Government's responsibilities', Dr Owen went on, 'to try to pre-judge the leadership of an independent Zimbabwe .... For that reason ... [Britain] cannot accept that the Patriotic Front are the sole political representatives of the people of Zimbabwe and that we should therefore exclude Bishop Muzorewa and the Reverend Sithole from our consultations .... It would be impossible to get a constitution through the House of Commons which did not demonstrably reflect the views of as wide a cross-section of people as possible in Rhodesia.'

As regards the future constitution, the British Government had made only three preconditions. These were, Dr Owen stated, 'that the constitution should provide for a democratically elected Government; that the franchise should be the widest possible on the basis of universal adult suffrage; and that there should be, in the shape of a Bill of Rights and an independent judiciary, protection for basic human rights'. Dr Owen said that he believed that 'many white Rhodesians accept that majority rule means what it says and that there can be no constitutional juggling. Yet if the white Rhodesians who support Mr Smith are going to agree to give up power and, more important, stay on and contribute to the future of Zimbabwe, their fears over law and order in particular must be recognised and met. Particular concern is being expressed over the transitional period. The constitution must spell out the electoral process; and provide for a caretaker Government whose job it will be to supervise fair and free elections, register voters, demarcate constituencies, keep law and order and govern the country, once the Rhodesian Front has stood down. The constitution would ensure that, with the establishment of the caretaker Government, the achievement of majority rule would be irreversible, there would be a return to legality and sanctions should then be lifted', and 'if elections are to be fair the fighting must stop and the guerillas must be able to return to their country to participate in elections and contribute to the life of their country .... This caretaker period', Dr Owen added, 'is obviously fraught with difficulties', and 'the nature of the caretaker Government will be a difficult problem to resolve.' He believed that the new approach, 'based on prior agreement on the independence constitution itself', and the fact that Britain did 'not envisage a caretaker Government holding power for more than a matter of months, will do much to circumscribe the seemingly insoluble problems which arose at Geneva. The position of the existing security forces and their relationship to the returning guerillas is a special problem which will also have to be solved.'

Britain could not solve the problem of Rhodesia alone, Dr Owen explained, but needed support from the people of Africa, the Commonwealth and the United States, as well as from the United Nations. In the past Britain had been reluctant to draft an independence constitution because by itself it did not have the power to implement one. The Foreign Secretary added that 'this remains the position'. Since February the central purpose of British policy in Rhodesia 'has been to learn the lesson of Geneva and work at every stage in the closest co-operation with the United States Government'. There was now 'full agreement with the Americans on all aspects' of Britain's approach. The Americans, however, had no standing in any formal constitutional negotiations: a constitutional conference would be a British responsibility, but 'without the full weight of American moral, political and economic influence behind us, particularly over the transitional period and in the early years of an independent Zimbabwe, the prospects for a negotiated settlement in Rhodesia are negligible ...'. Dr Owen added that 'in a situation where the present illegal regime rejected a constitution, which was clearly acceptable to the majority of people, black and white, in Rhodesia, and which had the full weight of the Front Line Presidents, the United States and the European Community behind it, the pressures on the regime, either direct or through South Africa, would prove irresistible'.

Results of the Heads of Government Meeting

In a statement to the House of Commons on 16 June (*Hansard*, cols 561-3), the Prime Minister,

Mr James Callaghan, said that the Commonwealth leaders had 'discussed serious and difficult issues without acrimony and with a growing understanding of each other's positions, and on many issues . . . reached a complete identity of views.

'A distinctive feature of the meeting', Mr Callaghan said, 'was a concentration on basic human rights in Southern Africa. All the Commonwealth leaders welcomed our current initiative to achieve an independent Zimbabwe enjoying majority rule in 1978 and all of them would prefer to reach that objective by a negotiated settlement. The exchanges at the meeting, the Prime Minister explained, reinforced his opinion that 'if the minority regime in Rhodesia fails to negotiate constructively, the fighting and the bloodshed will continue . . . Some Commonwealth leaders put their faith primarily in the armed struggle to bring about majority rule in Southern Africa.' Britain would continue to try and find another way.

In the remainder of his speech, Mr Callaghan briefly noted the items of major interest in the Heads of Government communiqué (see p 258) and the separate statement on apartheid in sport (see p 961). He mentioned the constructive discussions on the international economic structure and affirmed the view that the economic health of both developed and developing countries were interdependent. 'Equally it was recognised that these problems could not be solved without the continued economic strength of the industrialised countries. There was disappointment that more could not be achieved in international negotiations, but the conference noted the progress made and agreed . . . [to] build on this in forthcoming negotiations.'

'There was a general wish', the Prime Minister concluded, 'to make this a useful and constructive Commonwealth meeting, and we succeeded. No one who attended it is in any doubt that the discussions, both in the formal sessions and most particularly in the informal gatherings during the past ten days, have proved once again the vitality and value of the Commonwealth.'

European Community

At the end of June, the presidency of the Council of Ministers passed from Britain to Belgium. A European Council meeting took place in London on 29 and 30 June. A tripartite conference, attended by Community ministers, employers' and workers' representatives, was held in June, and discussed problems relating to growth, inflation and employment.

Community foreign ministers also met and issued a statement deploring the denial of human rights to the people of Uganda (see p 270); and British ministers have put forward proposals suggesting certain changes to the Community's common fisheries policy. A statement summarising the agricultural measures taken during Britain's presidency was also made in June.

These and other developments are described below.

EUROPEAN COUNCIL

A European Council meeting took place in London on 29 and 30 June under the chairmanship of the British Prime Minister, Mr James Callaghan. This meeting, the last to be held during the British presidency of the Council of Ministers, had, as its major theme, the level of unemployment in Community countries. The Council also issued a statement on the Middle East in which the Community expressed its views on the basis of a future peace settlement.

Mr Callaghan's Statement

In a statement to the House of Commons (*Hansard*, 30.6.77, cols 543-52), Mr Callaghan said the meeting had 'recognised the need for a sustained expansion of world economic activity consistent with a further reduction of the rate of inflation and of unemployment'. The Council had been particularly concerned about the employment of young people and of women, and in this context, Mr Callaghan stated he was able to report to the Council the details of the British Government's youth opportunities programme (see p 278) – an initiative that was 'very much welcomed' by the Council. He said that, following the last European Council meeting (see pp 147-8), he had written to the chairman of the governors of the European Investment Bank (EIB) asking for proposals from the bank to promote investment and employment. The chairman, in his reply to the Prime Minister, had given 'a positive indication of an immediate expansion in the bank's activities which could lead to lending within the Community of about £750 million in 1977 and £1 billion in 1978'.

Mr Callaghan also said that the Council had 'emphasised the importance of the commitments made by some Heads of Government to the achievement of specific growth targets in 1977 and emphasised the need to promote stability and to seek expansion through export-led growth'. The Commission had been invited by the Council to study certain sectors of Community industries which were 'adversely affected by structural changes in the economy, while adhering to the view that a liberal commercial policy was in the best interests of the Community and of the world as a whole'.

The president of the Council also brought the other Council members 'up to date on the passage of events in southern Africa, including an account of the discussions at the Commonwealth Heads of Government meeting' (see pp 258-9). It was agreed, he said, that the situation was growing in seriousness, and that foreign ministers would continue to exchange views in order to achieve a concerted policy.

There had been 'a useful exchange of views on East-West relations', and President Giscard d'Estaing had reported on the recent visit to Paris by President Brezhnev[1] of the Soviet Union.

In referring to the Council's statement on the Middle East (see below), Mr Callaghan said it

1 On 16 June Mr Leonid Brezhnev was elected President of the Praesidium of the Supreme Soviet, replacing Mr Nikolai Podgorny. President Brezhnev also retains his position as General Secretary of the Central Committee of the Communist Party of the Soviet Union. He visited France from 20 to 22 June 1977.

reflected the leading role which the United States had in promoting negotiations for a peace settlement. He went on: 'It was nevertheless the view of the Heads of Government that a statement by the Nine at this stage would make clear our view of the need for progress in further negotiations'.

Growth, Inflation and Employment

The statement issued by the Council on these topics noted that the nine members had 'reviewed progress and on-going work on the range of problems which it had identified at its March meeting in Rome, including both action within the Community itself and co-operation at wider international levels'. The European Council welcomed the agreement – reached by the Council of Ministers concerned with social matters – to improve the effective operation of the European Social Fund (see p 270). It noted that 'the Commission would soon be submitting proposals to use the fund for a scheme directed to the employment problems of women'.

The statement also reflected the Council's concern about unemployment among the young. The Council received a report from the Commission on Community action in the field of the labour market, and called on it to continue its work in this area. The social affairs council was also asked to meet in the early autumn 'to consider, in the light of this work and of the results of national measures, what common action might be necessary'.

Other main points covered in the statement included the European Council's request to the Council of Ministers concerned with financial and economic affairs to examine the Commission's proposals regarding investment and borrowing in the Community. The Council also affirmed 'the necessity for the member states to arrive at a common energy policy', and stressed the 'importance of co-operative efforts by industrial countries to seek a sustained expansion of world economic activity, consistent with further reduction of the rate of inflation, and thereby to help reduce unemployment'. The Council expressed its determination that the Community would play an 'appropriate part in this world-wide co-operation'.

The statement expressed concern that 'adequate international financing should be available to support this expansion of world economic activity', and hoped that efforts being made in this direction by the International Monetary Fund and other bodies would be successful.

Middle East

The European Council's statement on the Middle East issued on 29 June said: 'At the present critical stage in the Middle East, the Nine welcome all efforts now being made to bring to an end the tragic conflict there. They emphasise the crucial interest which they see in early and successful negotiations towards a just and lasting peace. They call on all the parties concerned to agree urgently to participate in such negotiations in a constructive and realistic spirit: at this juncture in particular all parties should refrain from statements or policies which could constitute an obstacle to the pursuit of peace.'

The European Council repeated their support for a peace settlement based on Security Council resolutions 242 and 338 (see pp 1228-9, 1967, and p 442, 1973), and added that it should also be based on

1 'the inadmissibility of the acquisition of territory by force;

2 'the need for Israel to end the territorial occupation which it has maintained since the conflict of 1967;

3 'respect for the sovereignty, territorial integrity and independence of every state in the area and their right to live in peace within secure and recognised boundaries;

4 'recognition that in the establishment of a just and lasting peace, account must be taken of the legitimate rights of the Palestinians.'

The statement added: 'It remains their firm view that all these aspects must be taken as a whole.'

The Council 'affirmed their belief that a solution to the conflict in the Middle East will be possible only if the legitimate right of the Palestinian people to give effective expression to its national identity is translated into fact, which would take into account the need for a homeland for the Palestinian people'. They considered that all parties to the conflict should participate in the negotiations, 'including the Palestinian people'; that, in the context of an overall settlement, Israel should be ready to recognise the legitimate rights of the Palestinian people; and that equally the Arab side should be 'ready to recognise the right of Israel to live in peace within secure and recognised boundaries'.

The statement concluded by calling for the urgent resumption of peace negotiations 'with the aim of agreeing and implementing a comprehensive, just and lasting settlement of the conflict'. The Community would be willing to contribute to finding a settlement, to the extent that the parties wished, and to putting the settlement into effect. The Council also stated that the Community was 'ready to consider participating in guarantees in the framework of the United Nations'.

TRIPARTITE CONFERENCE

A tripartite conference, one in a series of such conferences (see p 275, 1976), attended by representatives from employers' and workers' organisations, together with members of the Council and of the Commission of the European Community, met in Luxembourg on 27 June. The conference considered ways of dealing with the problem of unemployment which were compatible with the objectives of economic growth and stability.

At the end of the conference, Mr Denis Healey, the British Chancellor of the Exchequer, summarised the proceedings. Mr Healey described the debate as a 'very penetrating one, both on diagnosis and on cure'. His summary covered the delegates' analysis of the current situation and the methods that were needed to improve the position. It was agreed that the level of growth in Community economies had been inadequate, in part because

all member states had faced, simultaneously, unprecedented levels of inflation and of unemployment, and partly because the desire to prevent the acceleration of inflation had placed a major constraint on the expansion of activity. The divergence in the economic performances of various Community countries was also 'an element in our current difficulties'.

All participants were agreed that 'every effort must be made to achieve world-wide growth' on a scale which would substantially reduce unemployment. Mr Healey said that 'we know that we cannot eliminate unemployment unless we can achieve growth above the underlying increase in productive potential'.

It was decided that future work should include a study of the cost-effectiveness and implications for industrial performance of different means of work sharing, and an examination of the role, compatible with stability and growth, played in employment creation by the tertiary sector, including the public sector. There will also be an examination of the restraints imposed by the international situation on the Community's competitiveness, and of the changes required in the pattern of employment and investment in the Community as a result of recent changes in key areas of the world economy, in order to achieve growth with stability. Lastly, there will be a study of the conditions for 'employment-creating growth', a study of the ways of promoting public and private investment, and of the ways in which it could be ensured that this investment would, on balance, create rather than destroy jobs.

The Commission and other Community institutions already have work in hand on factors which affect the supply and demand for labour: notably the structural problem of unemployment among young people and women; the use of employment premiums in Community countries; and placement and training services within the Community. Mr Healey said it would be 'an important step forward' if this work was speeded up, in order that comparative and quantitative studies of these matters could be undertaken, and serve as a basis for proposals for action by the Community.

CUSTOMS UNION

On 1 July 1977, Britain, the Irish Republic and Denmark completed the transition period of four and a half years leading to the adoption of the Community's customs union. Except for a few non-industrial products, goods traded among the nine member states are now free of customs duties and other export and import charges. In addition, the Nine will now present a common external tariff to the rest of the industrial world.

Apart from Iceland and Portugal, for which a slower transition period is in force, tariffs between the European Free Trade Association (EFTA) countries and the Community were also abolished on 1 July. The British Secretary of State for Trade, Mr Edmund Dell, stated that as a result of the abolition of these tariffs, 'British manufacturers will have a home market of nearly 300 million people in 16 countries' and 'the world's biggest tariff-free area comes finally into existence'.

FISHERIES

British ministers have put forward ideas for a redesigned common fisheries policy. Britain has taken national measures for the continuation of the ban on fishing for herring in the North Sea. The Community's licensing system for fishing by non-member countries has been extended.

British Government's Views

The need for a 'coherent fishing policy designed for a world of 200-mile limits and threatened fishing stocks' was emphasised by the Minister of Agriculture, Fisheries and Food, Mr John Silkin, during a House of Commons debate on fisheries (*Hansard*, 23.6.77, cols 1773-874). Mr Silkin said: 'There are ... two basic essentials which are interlocked: first, conservation of fish and, secondly, conservation of the livelihoods of those who live by fishing .... Unless we conserve fish, 'there will be none left and the livelihood not only of fishermen, but of all those who live by fishing, including boat and dock builders and people employed in distribution and processing, would be at risk.'

Pattern of Fishing

The minister pointed out that, in order to appreciate the problems of the fisheries policy, it was necessary to understand the present pattern of British fishing – 'a pattern very different indeed from that which existed before we entered the EEC'. [Britain signed the Treaty of Accession to the European Economic Community in 1972 and entered the Community on 1 January 1973.]

As regards pelagic fish [that is, fish caught near the surface, such as herring and mackerel], Mr Silkin pointed to a serious decline in herring stocks and greater utilisation of mackerel stocks since 1972. He said: 'Pelagic catches of other countries around our shores have increased out of all recognition, and in 1975 amounted to 750,000 tonnes in the United Kingdom 200-mile zone. Conservation therefore becomes absolutely vital .... It is quite possible that more than 200,000 tonnes of herring ... are still being taken by the herring fisheries, whereas the stocks in their present state can bear not much more than a third of that. The picture for mackerel is similar although not quite so severe at present.'

Turning to demersal fish [that is, fish caught on or near the bottom of the sea, such as cod, haddock and plaice], Mr Silkin noted that, since the Treaty of Accession, the British catch had been reduced from 760,000 tonnes to about 600,000 tonnes, of which 130,000 tonnes came from waters of non-Community countries. By contrast, the demersal catch by other countries within Britain's 200-mile limits had increased from 360,000 tonnes to about 470,000 tonnes, nearly half of it being caught by non-Community countries.

Conservation

As to the ways of dealing with the problems of the fisheries policy, the minister pointed out that Britain had 'taken the lead in pressing for a coherent conservation policy to protect the fish stocks of member states'. Britain had succeeded to a limited

extent and the Community's Council had adopted measures including a ban on fishing for Norway pout to protect immature white fish and various measures to protect the herring stocks (see p 105). However, more needed to be done. 'Our aim', said Mr Silkin, 'is an effective and comprehensive Community conservation policy.' However, referring to the unanimous acceptance by the House of Commons of the principle of a private member's Bill which aimed at giving the Government full control of access to a 50-mile zone (see *Hansard*, 11.5.77, cols 1345-8, and 17.6.77, col 838), the minister pointed out that the whole House accepted the importance of individual member states retaining the right to take national conservation measures within their own fishery limits, where member states saw that need as urgent and it was not possible to reach Community agreement quickly.

British Fishermen's Problems

Mr Silkin recalled measures taken by the Community to reduce non-member countries' fishing in members' waters, and outlined the present state of negotiations on reciprocal fishing rights with some of those countries (see pp 14, 59, 104-5 and 148). He pointed out that, as a result of these negotiations, there would continue to be some scope for fishing in distant waters, 'but', he said, 'it is clear that in future the great bulk of the catch of the United Kingdom industry must come from our own waters'. He went on: 'The vital point – this is where membership of the EEC affects us most – is what proportion of the stocks in these waters will be taken by fishermen from the different countries. It is a question of access. Membership ... means that we cannot treat EEC fishermen like those from third countries.

'But the facts are that the fish in United Kingdom waters amount to nearly two-thirds of the total stocks in the waters of member states, and that our fleet has suffered grave losses in terms of fishing opportunities elsewhere. In our view, these factors alone entitle United Kingdom fishermen to a very substantial proportion of the total catch.'

Mr Silkin thought that a division based on historic catches within 200-mile limits, proposed by the Commission, was 'simply not good enough'. He pointed out that, unless the necessary changes in the common fisheries policy were secured now, Britain 'may be faced in 1982 with a system that will allow free fishing by all [Community members] up to the beaches in all the waters of member states', and that any change in this situation required the unanimous agreement of the nine member states. [The policy adopted by the Community before Britain's accession provided for free access for all members to one another's fishing grounds. The restrictions on this freedom, authorised by the Treaty of Accession, expire in 1982.]

British Objectives

The Government considers, said the minister, 'that United Kingdom fishermen can obtain their fair share of the stocks only if the common fisheries policy is radically redesigned. In particular it should include provision for substantial areas around the United Kingdom coast in which they have exclusive or preferential access. The Commission themselves recognise that changes are needed and have suggested a limited coastal belt and quotas covering all fishing by fishermen of the member states in their waters. Unfortunately neither the belt nor the quotas are satisfactory.'

Mr Silkin referred to the British proposal made in 1976 for a variable coastal belt of up to 50 miles 'covering the most vital areas for the British industry' (see p 252, 1976). He added: 'Our aims were – and remain – the conservation of the fish stocks within that belt and the satisfying of our own fishermen's requirements. Of course ... any surplus after these two basic conditions had been met would be available for our EEC partners or as part of a trade-off with third countries upon a reciprocal basis in which we would share.'

The minister recalled that the variable belt proposal had met with fierce resistance in the EEC. 'However', he stated, 'that proposal remains on the table. We are ready to consider in the Council any alternative measure, provided always that it gives us these twin objectives of conservation and dominant preference.'

Referring to the provisions of the Treaty of Accession, Mr Silkin said: 'The present EEC arrangements already regard the area within 12 miles as having a special status. Access to important parts of this zone is already in practice limited to coastal fishermen. In our view the whole of this zone should ultimately be reserved exclusively to fishermen of the coastal state, but we should obviously need suitable phase-out arrangements for the fishermen from the other member states who currently fish there. In time the entire catch – subject to conservation limits – within the 12-mile zone should be allocated to the coastal state.' He went on to point out that the area between 12 miles and 50 miles would in future be of crucial importance to the British fishing industry, if it was to be redeveloped for work in near and middle waters. The 12-mile exclusive zone would provide British fishermen with the bulk of their traditional pelagic catch, but only one-fifth of their traditional demersal catch, and even that would include a substantial tonnage of less familiar species. Mr Silkin continued: 'The stocks out to 50 miles contain enough pelagic fish not only for our present needs but to cater for considerable future expansion. Some of the fishing concerns catching demersal fish will have to switch to pelagic .... However, the total demersal catchings to 50 miles is 500,000 tonnes. If we had sole access to all that, it would not enable us to maintain the present size of our demersal industry, but a dominant priority there, together with a share of the fishing elsewhere including the remainder of our waters up to 200 miles, would enable us to have a firm economic base on which we could re-build the industry.'

Council of Ministers' Meeting

Reporting to the House of Commons on the meeting of the Council of Ministers which had been held on 27 June (*Hansard*, 29.6.77, cols 445-54), the Secretary of State for Scotland, Mr Bruce Millan, said that he had reminded the Council of the British proposal for a variable coastal belt up to 50 miles, and had made it clear that this proposal remained on the table. Mr Millan went

on: 'I indicated, however, that we were willing to look at other ways in which our essential needs might be met, so long as they provided our fishermen with an assured future and ensured that the fish stocks were properly conserved.' He then had outlined to the Council a proposal for dealing with the coastal band up to 50 miles on the lines indicated by Mr Silkin on 23 June (see p 268). Discussion of the internal fisheries regime would be resumed at the Council meeting on 18 July.

Herring Conservation

Mr Millan also reported on the Council's consideration of measures necessary to conserve herring stocks. The Council had agreed to the introduction of a quota allocation for the west of Scotland on a basis of a much-reduced total allowable catch (this was subject to an Irish reserve which would allow the new Irish Government to consider the matter further).

North Sea Ban

Mr Millan said: 'The Commission's proposal for a continuation of the ban on the North Sea herring stock led to a long and particularly difficult discussion. I made it clear to the Council that in our view the scientific evidence was quite unassailable and that there could be no alternative to a further ban if we were not to run the risk of exterminating the stock. No agreement was reached on this point. I therefore felt it necessary to tell the Council that in the absence of Community agreement we had no choice but to consider taking national non-discriminatory measures in terms of the Hague agreement [see p 61]. We are now in touch with the Commission with a view to putting in hand the necessary steps to continue the ban on directed fishing for herring [that is, fishing aimed specifically at catching herring] in the North Sea within our 200-mile limits for the rest of this year.' The ban was imposed on 1 July, to follow the Community ban first applied in March (see p 105) and subsequently extended.

Non-member Countries

At its meeting on 21 June the Council of Ministers agreed to extend by three months from 1 July the current system for granting fishing licences to the vessels of certain non-member countries (see p 59).

AGRICULTURE

Action taken during British Presidency

'Restoring a better balance in the markets for some agricultural products or... improving the basic structure of support' had been the aim of some important measures on agriculture and food taken within the European Community during the British presidency. Stating this in reply to a question in the House of Commons (*Hansard*, 29.6.77, written answers, cols 201-2), the Minister of Agriculture, Fisheries and Food, Mr John Silkin, recalled that the milk action programme, which had been under discussion for some time, had now been adopted and was being acted on (see p 186). It included an attack on overproduction through a scheme of incentives to Community dairy farmers to give up milk production or to switch to beef or sheep production; using herd reductions to best advantage by new Community aid for accelerated programmes for eradicating brucellosis, tuberculosis and bovine leukosis; helping consumption through new Community aid for school milk schemes; improved aid for butter consumption by the Community's own consumers, including a specially favourable scheme for Britain; and better arrangements for disposal of skimmed milk and skimmed milk powder for animal feed within the Community. The proposals for a margarine tax, a ban on aid for investment on farms, and the exclusive use of milk products in certain foodstuffs had been abandoned or deferred.

For cereals the reformed support system had been finally accepted and would come into effect on 1 August; support for breadmaking wheat would no longer always be given by automatic intervention but by a more flexible reference price system, and the support levels for feed grains had been brought into a better relationship.

The negotiations on the arrangements and price for sugar imports from ACP countries in 1977-78 had been satisfactorily concluded (see p 220). In view of the prospect of surplus, the Council had announced that, if the present market prospects continued, the maximum sugar quota for Community producers would be reduced from the 1978-79 marketing year.

The system of slaughter premiums for beef had been continued (see p 186).

Important changes had been made in the basic regulation for hops, in order to restrain overproduction and to improve marketing through producer groups. It had been agreed that, under the amended regulation, Community aid in the United Kingdom would be paid through the Hops Marketing Board.

Agreement had also been reached in principle on some changes in the basic regulation on wine.

Referring to the agreement reached on Community agricultural support prices for 1977-78 (see p 186), the minister said: 'In view of the importance of counter-inflation programmes in many member states and the need to maintain a balance between supply and demand in product markets, the increase in common support prices, about 3·5 per cent on average, was the lowest since United Kingdom accession.'

Turning to the subject of agricultural structure, Mr Silkin mentioned the adoption of a new regulation, which would make available aid from Community funds for programmes of investment or improvement in the processing and marketing of agricultural products (see p 106).

Considerable progress had been made in seeking agreement within the Community that priority within the food harmonisation programme should be given to those measures, such as the draft directive on labelling, 'which can give real benefits to traders and consumers' (see p 59).

Finally, the minister referred to two new directives: one, agreed in principle, on pure-bred cattle, which would help to eliminate barriers to trade; and the other, on the welfare of animals in international trade, which would provide valuable safeguards

in Community law, and on which 'substantial progress' had been made.

SOCIAL POLICY

A review of the Social Fund was undertaken at a Council of Ministers' meeting on 28 June by ministers with responsibility for social matters. The review took into account the experience gained during the operation of the fund, and the need to adapt to changed economic circumstances in Community countries. Decisions reached included a request to the Commission to submit proposals for the provision of funds to aid the employment opportunities of women, and to assist labour market policies introduced by member states.

These policies must satisfy one of the following conditions to be eligible for assistance from the

1 they must aim to solve problems in areas of serious and prolonged unemployment;

2 they must facilitate the adaptation to new technologies in certain areas of economic activity;

3 they must be introduced in order to deal with substantial changes in the conditions of production or disposal of products in certain undertakings; or

4 they must be concerned with the integration or reintegration of handicapped persons into employment.

The Council also agreed a directive on the approximation of laws, regulations and administrative arrangements in member states, concerning the provision of safety signs at places of work. This directive will be implemented by 1 January 1981.

A directive concerning the education of the children of migrants in Community countries was also approved. Details of this directive will be covered in a subsequent issue of *Survey*.

TRANSPORT POLICY

A series of directives on the approximation of laws in member states relating to motor vehicles was adopted at a Council of Ministers' meeting on 28 and 29 June. These directives concern rear fog lamps, reversing lamps, parking lamps, the field of vision of motor-vehicle drivers, and safety belts. This last directive lays down strict rules governing the construction of safety belts and their installation, and requires production controls to be carried out to ensure consistent quality in manufacture.

Two directives concerning agricultural tractors were also adopted. The first deals with 'roll-over protection structures' for agricultural tractors, and the second introduces measures against the emission of pollutants from diesel-driven tractors.

Shorter Notes

UGANDA

The last diplomatic links between Britain and Uganda were severed on 15 June. A statement issued in London on 16 June said that in view of the entirely unfounded accusations of subversive activities made against Britain, the Foreign and Commonwealth Secretary, Dr David Owen, had decided to withdraw Britain's two representatives in the French Embassy in Kampala. Similarly, in London, the Saudi Arabian Ambassador was asked to close down the Ugandan interests section in the Saudi Arabian Embassy.

The Council of Ministers of the European Community issued a statement on 21 June deploring 'the consistent denial of basic human rights to the people of Uganda. The Council agrees to take steps within the framework of its relationship with Uganda under the Lomé convention to ensure that any assistance given by the Community to Uganda does not in any way have as its effect a reinforcement or prolongation of the denial of basic human rights to its people.'

Commenting on this statement after the Council of Ministers' meeting, Dr Owen said that the Community was operating in this field under legal and other restraints but, he went on, 'If the European Community is . . . a political community as well as an economic community which does have views on human rights and issues like that – then . . . we [cannot] . . . stand aside from that in the way we disburse out aid and help to the developing world.' Dr Owen indicated that the Community might have to look at the legal restraints when the Lomé agreement (see pp 51-3, 1975) came to be renewed, in search of a wording which would give the Community more freedom than in the past.

IRISH REPUBLIC

A new Government, with Mr Jack Lynch, leader of the Fianna Fail Party, as Prime Minister, took office in the Irish Republic on 5 July, following the general election on 16 June.

In the election Fianna Fail secured 84 seats, Fine Gael, 43, Labour Party, 17, and Independents, 4.

Mr Lynch succeeds Mr Liam Cosgrave, who became Prime Minister when a Labour-Fine Gael coalition formed the Government in March 1973.

DJIBOUTI

On 27 June, Djibouti, the former French Territory of the Afars and Issas, once known as French Somaliland, became an independent republic. Situated between Ethiopia and Somalia, it occupies a strategic position on the African side of the Bab-el-Mandeb straits on the route through the Suez canal to the Indian Ocean. Djibouti has an area of 21,783 sq km (8,800 sq miles). In 1973 its estimated population was 200,000, of whom about half were concentrated in the capital, the port of Djibouti, the balance being mainly nomadic. Two groups roughly equal in numbers make up the total: the Somali-speaking Issas, who have natural affinities with their Somali neighbours; and the Afars, who straddle the border with Ethiopia. In addition, there are about 45,000 Somali workers in Djibouti. France's connection with Djibouti dates back to the middle of the nineteenth century. In a referendum held on 8 May, the people of Djibouti

voted overwhelmingly in favour of independence. A new Constituent Assembly was also elected in an election held at the same time.

Djibouti is a country of arid volcanic terrain lacking natural resources, having an economy based on the port of Djibouti. Years of recession followed the closure of the Suez Canal in 1967 (see pp 613-25, 1967) although attempts were made to sustain port activity with the assistance of France and the European Community. This included an experimental 'Free Port', set up in 1971, in which traders could operate without being subject to import tax. Work has begun under the sixth development plan to improve the port's facilities. There was hope that the re-opening of the Suez Canal in June 1975 (see p 279, 1975) would bring a return of prosperity but it is now expected that some time will elapse before trade returns to pre-1967 figures.

France and Djibouti have signed wide-ranging agreements including a treaty of friendship and co-operation and a series of economic and military agreements. Djibouti has no army of its own and France, at Djibouti's request, will continue to maintain a military force in the country. Djibouti has formally applied for membership of the Arab League and has also expressed the intention of joining the Organisation of African Unity.

British Shipbuilders

The new publicly owned corporation, British Shipbuilders, came into being on 1 July. The corporation, established under the Aircraft and Shipbuilding Industries Act 1977 (see p 145), brings together 30 companies engaged in shipbuilding, marine engine-building, ship-repairing and training and over 90 associated concerns.

In a vesting day message to British Shipbuilders' chairman, Admiral Sir Anthony Griffin, reported in an article in *Trade and Industry* (8 July 1977), the Prime Minister, Mr James Callaghan, emphasised that all the skills and resources available in the industry would have to be brought to bear if Britain was to win orders and deliver them on time. Referring to the world-wide over-capacity in merchant shipbuilding the Prime Minister said that every order had to be fought for against fierce international competition. The establishment of the new corporation provided an opportunity for meeting this challenge by realising the full potential of the industry.

In another statement issued on the same day, Admiral Griffin said that the new corporation's policies, worked out in consultation with individual companies and the trade unions, would seek to weld the industry into a single co-ordinated enterprise able to face overseas competition on terms which gave a better prospect for success than had been possible in the past. The subsidiary companies would continue to operate as individual profit centres, responsible to the corporation for their affairs, within the policies laid down by the corporation. Admiral Griffin said that the corporation was already engaged in intensive marketing on behalf of the industry as a whole and, in the first six months of 1977, British shipyards had obtained roughly the same level of new orders as in the whole of 1976. By 31 May 1977, British shipbuilders had a total of 113 merchant ships on order, worth over £763 million, of which 40, worth over £316 million, were for overseas markets.

Shipbuilding Research and Development

From 1 July the Ship and Marine Technology Requirements Board (SMTRB) within the Department of Industry ceased to have formal responsibility for certain shipbuilding research and development. Following discussions with the organising committee for British Shipbuilders, it was agreed that the corporation would take control of its own research and development needs in ship design, shipbuilding, ship-repair and slow-speed diesel engineering.

Energy Commission

The Secretary of State for Energy, Mr Anthony Wedgwood Benn, announced in the House of Commons on 28 June (*Hansard,* written answers, cols 107-8) that the Government had decided to establish an Energy Commission to advise on major energy policy issues. Mr Benn said that discussions had been proceeding since the National Energy Conference in June 1976 (see pp 293-4, 1976) with the view to setting up such a body to advise and assist the Secretary of State for Energy on the development of a strategy for the energy sector in Britain and to advise on specific aspects of energy policy that the Secretary of State might refer to it. The commission would seek to form an agreed view on major energy policy issues as they arose and would consider, prior to publication, periodic reports on the energy situation prepared by the Government setting out decisions taken and other developments, and reviewing current prospects and matters expected to come up for decision.

Membership of the commission would be drawn from the energy industries (seven representatives), the Trades Union Congress's Fuel and Power Industries Committee (the six General Council members of the committee and its secretary), and industry, consumers and other interests (seven members). The representatives of the energy industries would be the chairmen of the British Gas Corporation, the British National Oil Corporation, the Electricity Council, the National Coal Board, the Petroleum Industry Advisory Committee, the South of Scotland Electricity Board and the United Kingdom Atomic Energy Authority. The Secretary of State for Energy said that he would announce as soon as possible the allocation of the non-producer seats. He would take the chair at meetings of the commission and the Minister of State at the Scottish Office would also be a member. Other ministers with an interest in energy matters would be able to attend meetings of the commission and to contribute to its work. The establishment of the commission would not affect the existing executive responsibilities or diminish the responsi-

bility of ministers to Parliament for decisions taken on energy.

Mr Benn noted that there would be many other interested bodies which would wish to be kept informed of energy policy discussions and might like to make representations in writing to the commission. Accordingly the Government intended that documents considered by the commission would, in general, be circulated widely for study. It should also be possible for the commission to invite other people to attend its meetings when necessary.

Mr Benn said that the Government believed that these new arrangements should help in the co-ordination of the nation's energy policy and in promoting the role of the energy sector in the industrial development of Britain.

British National Oil Corporation

During its first year the British National Oil Corporation (BNOC) became directly involved in a wide range of North Sea activities, according to its initial annual report published on 31 May.[1] Major features were the acquisition of important offshore oil and gas interests, the progress made in the negotiations for majority State participation in offshore oilfields in production or under development, the announcement by the Government that the corporation would have a 51 per cent interest in licences issued under the fifth round of offshore petroleum production licensing (see p 255, 1976), and the corporation's involvement in the establishment of a company to conduct further studies into gas-gathering pipelines in the British Continental Shelf (see p 34).

Background

The Government's policy for the development of Britain's offshore oil and gas resources was contained in the White Paper, *United Kingdom Offshore Oil and Gas Policy*, published in 1974 (see pp 279-80, 1974). It proposed the establishment of a British National Oil Corporation, through which State participation rights would be exercised, and which would take over the relevant offshore interests of the National Coal Board (NCB) and play an active part in the future exploration and development of the British Continental Shelf. Accordingly the BNOC was established under the Petroleum and Submarine Pipe-lines Act 1975 (see p 201, 1975) with the powers to perform all the functions of an integrated oil company, and came into existence on 1 January 1976. It combines the functions of an instrument of Government policy, of a commercial enterprise and of an adviser to the Government. The corporation's present priorities, as listed in the report, are the efficient and commercial management of its equity interests in offshore petroleum exploration, development and production; the effective disposal of petroleum, having due regard to commercial considerations and to national and international interests and obligations; the development of expertise in and knowledge of all aspects of oil operations, especially those relating to the production and use of resources under the British Continental Shelf; and the development of its capability to give expert advice on oil matters to the Secretary of State for Energy as a contribution to Government policy.

[1] *The British National Oil Corporation. Report and Accounts 1976.* BNOC. HMSO, £2. ISBN 0 906049 00 8.

Activities during 1976

Of the corporation's capital expenditure in 1976 of some £396 million, about £287 million was for the acquisition of the offshore oil and gas interests of the NCB and of the majority of the North Sea interests of The Burmah Oil Company. By the end of 1976 the BNOC had equity interests in one gasfield in production (Viking), five oilfields under development (Thistle, Ninian, Dunlin, Murchison and Statfjord) and associated pipeline and terminal facilities. It was the operator for the Thistle field and nine exploration blocks, while it had an interest in a total of 22 offshore production licences for 59 blocks or parts of blocks covering over 9,000 square kilometres. In 1976, £91 million was spent on developing petroleum finds for production and £18 million on exploration. Drilling activity in 1977 under existing licences is expected to be similar to that in 1976, when the corporation's subsidiaries participated directly or through other operators in drilling 16 exploration wells, 12 wells for delineating or appraising discoveries already made and one development well. Further drilling programmes are likely to arise after the award of the licences in the fifth round of offshore licensing (see pp 126-7).

In 1976 the corporation received income from commercial sales of gas and condensate from the Viking field to a value, net of royalties, of £23 million. Its operating profit was £8 million, although after interest payments of £9 million, there was a net loss of £1 million. Borrowings from the Secretary of State for Energy amounted to £328 million, while net drawings of other funds from the National Oil Account (into which royalties, licence fees, rentals and the BNOC's income are paid) were £30 million.[1] By the end of 1976 the BNOC employed 388 people.

Negotiations on State participation in oilfields in production or under development were in progress throughout the year, and by June 1977 definitive agreements had been reached with six companies and outline agreements with a number of others. The agreements vary according to the circumstances affecting the position of different companies, but the essential elements for the BNOC are: access to information about fields under development through representation on operating committees; an effective voice, including a vote, in the affairs of these committees; and options to take up to 51 per cent of the petroleum available to the companies at market prices, so meeting the obligation that the companies should not be financially worse off through participation.

[1] On 16 June the BNOC announced that it was raising $825 million (about £480 million) from 12 banks in Britain and the United States to finance part of its current North Sea investment programme on favourable commercial terms. Part of the funds will also be used to repay loans bearing a relatively high rate of interest from the Government's National Loans Fund, thus reducing the burden of the BNOC's interest charges.

Transport

The main themes of the Government's White Paper on transport policy, as indicated by the Secretary of State for Transport, Mr William Rodgers, in presenting the White Paper to the House of Commons on 27 June (*Hansard,* cols 49-73), are priority for maintaining public transport, with particular help for rural areas; more responsibility for local authorities; no major cuts in the railway network; and a new approach to the roadbuilding programme, with emphasis on specific schemes rather than on the development of a strategic network of motorways and trunk roads.[1] Comments on the Government's consultative document on transport policy (see pp 213-16, 1976) have been taken into account in the preparation of the White Paper, and there have been some changes: for example, expenditure in support of public transport will not be reduced as had originally been proposed. The White Paper is concerned with policy on inland transport in Great Britain and does not, in general, deal with ports, shipping and civil aviation. A separate statement is to be made on the Government's proposals for legislation to improve road safety.

Government Policy

Mr Rodgers said that transport policy must be directed towards economic growth and higher national prosperity, while ensuring that everybody had a reasonable level of personal mobility and that harmful effects to the environment were minimised. It would have to take account of energy conservation and of land-use planning. The objectives had to be met within the resources of public expenditure that were available for transport.

The White Paper notes that the Government has already decided that the proportion of public expenditure available for transport should decline until the end of the 1970s. Subsidies will be controlled and be paid only where there is a clear requirement to meet social needs in transport that would not otherwise be met. In allocating resources between the different parts of the public sector of transport, the Government has decided to give public transport priority over new road construction and to provide, as far as possible, a greater measure of stability in investment for the transport industries. No major changes in the organisation of the public transport industries are planned, although the Government intends to give a clearer definition of their tasks and to establish closer working relationships between them and the elected authorities.

Local Authorities

County councils in England and Wales, and the regional and islands councils in Scotland, will continue to have the prime responsibility for local transport decisions. More responsibility for planning and integrating local transport will be placed on local authorities, and the Government intends to introduce legislation requiring county councils in England and Wales outside the metropolitan areas to prepare county public transport plans, setting out policy for five years ahead, and to enter into agreements with public transport operators on supported services. Discussions on the proposed legislation will be initiated shortly by the Government with local authority associations, transport operators and trade unions. Consultations are also proposed on how to involve local people in decisions on the future of certain local rail services, some of which carry few passengers at a high and increasing cost. Under a new procedure, suggested in the White Paper, if neither the British Railways Board nor the Government wished to retain a service as part of the national rail network, the county or regional councils concerned would be required to consider whether the service met the local needs for public transport in the best way. They would be able to enter into a binding agreement with the British Railways Board for the continued provision of the service or, if they believed the railway to be too costly or unsuitable, would be able to make arrangements for the provision of alternative bus services.

A number of decisions affecting Government support of local public transport are contained in the White Paper. The provision for bus revenue support in England and Wales will remain at about £150 million at 1976 prices as the Government believes that the fare increases or service reductions which would have resulted from the proposals for lower financial support would have imposed an unacceptable burden on public transport users. The Government has decided to maintain the present 50 per cent grant towards the capital costs of new buses until 1980-81, although it will be phased out by 1985. Government advice to local authorities recommending no extension of concessionary transport fares for elderly, blind and disabled people will be withdrawn, and there is provision for local authorities to be spending by 1980-81 an additional £25 million on improved schemes in areas where the present provision is too low.

Rural Areas

Mr Rodgers said that the Government attached particular importance to the proposals for rural areas and recognised their special problems. The new county public transport plans should give greater stability to conventional bus services and there would be increased support for rural services. Bus licensing laws would be modified to make it easier for cost-effective local transport arrangements to be introduced, but without undermining established bus operators. The White Paper notes that experimental transport schemes will shortly be introduced in four rural areas to evaluate some of the simple low-cost arrangements, such as minibuses and postbuses. Legislation is proposed to facilitate community minibuses, which carry small numbers of people and are operated by local volunteer drivers, and to remove restrictions on charging for car-sharing schemes.

Urban Transport

To improve methods of dealing with traffic problems, particularly in urban areas, the Government is to consult local authorities with a view to introducing

[1] *Transport Policy.* Cmnd 6836. HMSO, £1·35. ISBN 0 10 168360 X.

legislation to remove some of the ministerial controls over the exercise of traffic management powers and to enable local authorities to license privately operated public car parks and, subject to appropriate safeguards, to control private non-residential parking. The Government believes that more attention should be given to the needs of pedestrians and cyclists, and will contribute to the cost of selected experimental schemes and improve its advice to local authorities on useful measures.

Inter-urban Travel

The White Paper says that there is no case for subsidising inter-urban services; their demand is buoyant and there are no large-scale financial deficits. Rail, coach and air services should provide a complementary network and the Government does not believe that there should be any restriction on the methods of travel which are available. However, it will shortly initiate a study of inter-urban public passenger transport to ensure that operators' investment plans are compatible and that wasteful over-capacity is avoided.

Freight Transport

The Government wants as much freight to go by rail as is economically possible, but notes that a substantial diversion of freight from road to rail is not feasible because of the nature of much of the road haulage traffic. It will encourage the railways to win further suitable traffic, especially long-distance bulk traffic, by continuing the scheme of grants for private sidings under the Railways Act 1974 (see p 328, 1974) beyond the initial five-year period, and by backing five-year investment programmes in locomotives and air-braked wagons. No further support will be given to railfreight after 1977-78 and the Government is determined to eliminate subsidies to the movement of freight, whether by rail or road. Increased goods vehicle taxes in the 1977 Budget (see pp 157-8) mean that lorries over 1·5 tons unladen weight should, as a whole, cover their share of the public costs of roads in 1977-78 and the deficiency for the heaviest goods vehicles, which cause most damage to the roads, will be substantially reduced. The Government intends to modify the goods vehicle taxation system so as to relate taxes to fully laden weight and the number of axles.

Priority in the road programme will give special importance to by-passes and orbital routes to divert lorries and heavy traffic from built-up areas. However, after wide consultations on proposals for a national system of lorry routes, the Government has concluded that such a system will not be possible for some time. Several measures are contemplated to reduce the problems caused by heavy goods vehicles: improved standards for noise, braking and smoke emission; a review of the operators' licensing system and the adequacy of its enforcement; the strengthening of the law dealing with dangerous offences such as overloading and inadequate maintenance; and support for research into more efficient distribution systems. The Government is also considering the introduction of special supplementary licences for operators of goods vehicles carrying hazardous materials.

The financial results of the National Freight Corporation have improved, but the White Paper says that the corporation cannot become viable on the basis of its present capital structure. Accordingly, the Government will introduce legislation to change the corporation's financial structure to remove former burdens. A detailed statement on the future role and structure of the corporation will be made later in 1977.

Railways

Mr Rodgers pointed out the continuing role for railways, notably in long-distance passenger transport, in important commuter services, in the movement of bulk freight and in providing essential local services. He said that there could be no question of imposing major cuts on the network. Two financial objectives had been set for the British Railways Board: to contain, and then reduce, the subsidy to the revenue account for the operation of passenger services; and to eliminate any continuing requirement beyond 1977-78 for support to other railway operations. New arrangements were needed for setting targets for different sectors of the business, but the Government had decided not to impose a specific objective for reducing the subsidy to commuter services in London and the South East, as had been suggested in the consultative document.

To increase the board's freedom and give a greater incentive to make the best use of its assets, the Government proposes to introduce a special 'replacement allowance' for the renewal of assets connected with rail passenger operations. It will supersede loans and eventually enable the Government to set the board a target for finance for passenger operations covering both passenger support and investment. The board will be expected to operate within this target, and the greater the level of efficiency the more resources will be available for investment.

Roads

Expenditure on roads will be at a lower level than previously planned, so that investment in the English motorway and trunk road system will be no higher by the end of the decade than the reduced level for 1977-78. The concept of a strategic network of motorways and trunk roads in England will be modified and a more selective approach adopted, so that, for example, there will not necessarily be uniform standards for whole routes. Priority will continue to be given to improving the routes to the major ports and other industrial areas which carry a high proportion of industrial traffic, essential orbital schemes and to other schemes which help to divert traffic from built-up areas or which offer environmental gains. The Government intends to transfer to local authorities responsibility for roads which have lost their national significance. Money for local roadbuilding will be severely limited and local authorities are expected to make a reduction of 5 per cent in road maintenance.

Future Consultations

The White Paper outlines a number of ways in which future consultations on transport policy will be improved: periodic White Papers on the

development of transport policy; an annual White Paper on roads in England and Wales and an annual statement on roads in Scotland, replacing the present retrospective reports; and improved arrangements for public local inquiries into trunk road schemes. The Government will also explore the case for a separate economic development committee for transport, under the National Economic Development Office, as a possible way of promoting regular consultation between the Government, management and trade unions. However, it will not set up a national transport council or a national transport planning authority, as had been put forward in the consultation document, since the creation of the Department of Transport had eliminated the need for such a body.

Civil Aviation

AIR SERVICES AGREEMENT WITH THE UNITED STATES

Significant new opportunities for British and United States airlines and the promise of benefits for transatlantic air travellers are provided by the new air services agreement reached by Britain and the United States on 22 June, according to the Secretary of State for Trade, Mr Edmund Dell, who outlined the main provisions in a statement in the House of Commons on 23 June (*Hansard*, cols 1754-65). Mr Dell said that he believed that the agreement would create the appropriate conditions for a new and expanding era of civil air transport.

The agreement will replace the Bermuda Agreement, negotiated in 1946, which regulates scheduled air services between Britain and the United States. In June 1976 the British Government gave notice of the termination of the Bermuda Agreement as it considered that fairer conditions for British carriers were required and that several improvements to make the agreement operate more effectively were needed. Final texts of the new agreement have to be completed before it can be formally signed and come into operation; this will probably be at the end of July 1977. Meanwhile, services are continuing to be operated under the original agreement.

Main Provisions

Mr Dell said that the most important feature of the new agreement was the mechanism to control capacity on North Atlantic routes. It provided for airlines' plans to be scrutinised and, in cases of disagreement, for consultations between the British and United States Governments. This was designed to reduce the waste of fuel and other resources that resulted from the provision of a large number of empty seats, while preserving competition and the services required by air travellers.

Mr Dell said that the agreement would give British airlines a fairer opportunity to compete for a bigger share of a growing market. They would be able to open up new routes to the United States from London using the airports of Houston, Atlanta, Seattle and Dallas/Fort Worth, while a non-stop service could be introduced between London and San Francisco. These additional routes would enable British airlines to increase their penetration of the North Atlantic market. In addition, an improved route had been agreed for a British airline to operate across the Pacific between Hong Kong and the west coast of the United States. Single designation would, in general, apply so that on all the North Atlantic scheduled routes except two the British carrier would face competition from only one United States airline. The United States would allow two of its airlines to operate the London–New York and the London–Los Angeles routes, and Mr Dell indicated that Laker Airways would be designated as Britain's second carrier to New York.[1] Britain's option to designate a second carrier on another route would not be implemented immediately.

Substantial reductions in 'fifth freedom' rights, which allowed United States airlines to pick up passengers from flights eastward out of London and westward from Hong Kong, would be made, with a number disappearing immediately and some others after three or five years. There would be greater flexibility for both countries' airlines to carry passengers on the same aircraft to more than one destination, but without the right to pick up passengers from one destination point and take them to another, and this should contribute to a more economic use of resources.

Mr Dell mentioned some of the other gains from the agreement. He said that a new tariffs article should avoid the disputes on air fares which had occurred previously. In accordance with his statement concerning the transfer of air traffic to Gatwick (see p 207), the routes to Houston and Atlanta would serve Gatwick airport, as would the route to Dallas/Fort Worth if the British carrier on this route were to use Gatwick. New routes linking Bermuda and Britain's dependencies in the Caribbean to the United States had been agreed. There would be extensive new all-cargo services for both countries' airlines. The existing bilateral arrangement on charter services between Britain and the United States, which was working well, would become part of the air services agreement, while the two countries would work towards a new multilateral arrangement on charter services between North America and Europe. The development of charter services, which both countries wanted to encourage, would offer further benefits to the travelling public.

Ports

NATIONAL PORTS COUNCIL

Significant improvements in profitability accompanied by increased traffic were recorded by many ports in Great Britain in 1976, according to the annual report and accounts of the National Ports Council (NPC), published on 14 June.[2] Provisional

[1] Laker Airways is planning to operate its new *Skytrain* service (a low-cost, walk-on service with no advance bookings) between London (Stansted) and New York from 26 September 1977.

[2] *National Ports Council. Annual Report and Accounts 1976.* NPC, Commonwealth House, 1–19 New Oxford Street, London WC1A 1DZ, 75p. ISBN 0 86073 004 2.

figures for 1976 indicate that traffic through the ports of Great Britain rose by 7 per cent to 336 million tonnes, with the improvement being most marked in non-fuel traffic where there was an 11 per cent increase to 121·8 million tonnes. However, traffic was still below the level of 1974 (368 million tonnes). Continued growth in overseas traffic is forecast, with annual average rises of 4·8 per cent between 1976 and 1980 and 3·2 per cent between 1980 and 1985, so that overseas traffic in the latter year would be about 335 million tonnes, compared with 246 million tonnes in 1976. In 1976 the main ports, in terms of total tonnage handled, were London (44·2 million tonnes), the oil port of Milford Haven in Dyfed (43·2 million tonnes), Tees and Hartlepool (31·6 million tonnes) and Southampton (26·6 million tonnes).

Financial Results

After financial setbacks in 1974 and 1975, there was a resumption of the upward trend in port financial performance in 1976 when the aggregate net surplus for 24 large ports reached a record £38 million, representing a return on capital of just over 10 per cent. The marked improvement resulted from the partial recovery in trade after the world economic recession which had contributed to a fall in traffic of 14 per cent in 1975. The report notes that 'a good measure of success' was achieved by ports, through natural wastage and severance schemes, in containing costs of wages and salaries which form a major part of total port costs. However, new cargo-handling technology has led to a reduction in manpower requirements and labour surpluses are a problem at some ports, such as London. In September 1976 improvements were made to the national voluntary severance scheme to encourage more registered dockworkers to leave the industry.

Investment

Port authorities estimated that their total capital expenditure in 1976 would be about £77 million, compared with the equivalent estimate for 1975 of £56 million and actual expenditure for that year of £46 million. In real terms capital expenditure has been falling for several years and the report notes that the relatively low level of major new expenditure proposed for general cargo facilities confirms the NPC's view that there is adequate port capacity in Great Britain to meet the future demand for this type of traffic. In 1976 there was a further decline in the number of port investment projects submitted to the council under the Harbours Act 1964, reflecting the effects of the economic recession and the extent to which previous developments had successfully met the requirements of port users. Most of the important schemes considered by the NPC were concerned with meeting industrial or energy requirements rather than providing general purpose port facilities.

Major schemes in progress during 1976 were new large-scale container facilities at Tilbury (Port of London) to serve the Australasian trade and at Southampton (see below), the West Dock scheme at Bristol (now open to shipping) and oil terminals at Flotta in Orkney (which came into use in December 1976) and Sullom Voe in Shetland. Among schemes submitted to the council were a £9·2 million scheme for dredging and harbour works at Jarrow Slake on the Tyne, where a direct reduction iron plant is to be built, and a £3·6 million plan for dredging and provision of roll-on/roll-off terminal facilities at Stranraer (Dumfries and Galloway).

Port Organisation

The NPC virtually completed its programme for reconstituting major port trusts as smaller, non-representative boards with a proportion of executive members. The report says that there are clear indications that the new boards are working effectively, and that the council's work in this area and its earlier work for grouping ports on an estuarial basis have provided a good foundation for improved efficiency.

BRITISH TRANSPORT DOCKS BOARD

A considerable improvement in the financial results of the British Transport Docks Board (BTDB) occurred in 1976, according to the board's report and accounts published on 28 April.[1] Income rose by £21·7 million to £99·1 million in 1976, and the operating surplus more than doubled to £25·8 million, which represented a rate of return on capital of 15·5 per cent, compared with 7·5 per cent in 1975. After interest payments and other items, but before tax, the net surplus was £11·6 million in 1976, as against £1·7 million in the previous year. After tax payments of £6·1 million, the board's net profit was £6·2 million. For several years the BTDB has been self-financing and in 1976 it repaid part of its capital debt in advance of the due date without reborrowing; the report says that it is believed to be the first occasion that this has happened for a State undertaking in Britain.

The factors which improved the board's financial performance, as listed in the report, were additional traffic, greater efficiency, cost savings and benefits from investment. Freight traffic through the BTDB's ports rose by 8·1 per cent to 83·5 million tonnes in 1976, with increases recorded in both inwards and outwards traffic and over a wide range of commodities. Container and roll-on traffic rose by 16 per cent to a record 683,000 freight units, excluding vehicles for import or export. However, the number of passengers remained virtually unchanged at 3·2 million. The BTDB maintained a tight control on costs and economies in staff were made, although the number employed at the end of 1976 – 11,656 – was higher than a year earlier owing to the acquisition of a major stevedoring group at Hull.

Capital expenditure by the board amounted to £6·9 million in 1976. At Southampton, work continued on the new container berth being constructed for the container service between Europe and South Africa, which is due to be inaugurated later in 1977, and the port's sixth roll-on berth was completed. The modernisation of the fish docks at Grimsby (one of the two main fishing ports in Britain) was almost completed by the end of 1976.

[1] *British Transport Docks Board,' Report and Accounts 1976.* Available free from the BTDB, Melbury House, Melbury Terrace, London NW1 6JY.

Neutron Research

The Government has approved the construction of an intense neutron beam research facility at the Science Research Council's Rutherford Laboratory in Oxfordshire. The facility will help to bring Britain to the forefront of research into the basic structure of matter, and will serve the needs of university scientists studying the liquid and solid states, including applications in physics, chemistry, biology and materials science. The use of existing buildings and plant, which will become available when the *Nimrod* proton accelerator is closed down in 1978, has reduced the capital cost of plant and equipment from about £30 million to £11 million spread over approximately five years.

The new Rutherford Laboratory project is at present the most advanced of its kind and is already attracting international interest. When first experiments begin by the end of 1982, scientists will be able to use pulses of neutrons up to a thousand times more intense than those available anywhere else in the world to investigate the structure and properties of many important types of solids, liquids and living material, with possible applications to the control of cancer and improvement in polymers and plastics.

Thermal neutron scattering is a technique used in an increasingly wide range of disciplines. Nuclear reactors have been the usual source of neutron beams and British scientists, numbering approximately 300, have been making use of facilities at the United Kingdom Atomic Energy Authority's Research Establishment at Harwell and at Europe's highest flux reactor at the Institut Laue-Langevin in Grenoble, in which Britain, France and the Federal Republic of Germany are partners. These installations, however, are severely overloaded and there is little possibility of significantly extending the capability of reactors to satisfy the demands of new experiments. The pulsed nature of the new source will enable higher effective intensities to be realised and it is also certain to open up new areas of research altogether. As well as those already mentioned, there are topics as diverse as the magnetic behaviour of materials, the structure of molten metals, and the nature of biological materials under stress, as in muscle contraction.

Measures to Reduce Unemployment

NEW SCHEMES

Up to 230,000 unemployed young people each year will have a chance of work experience or training under a new Youth Opportunities Programme costing £160 million (of which about 40 per cent would be saved by savings in unemployment benefit). This was announced in the House of Commons by the Secretary of State for Employment, Mr Albert Booth, on 29 June (*Hansard*, cols 433-45). The programme, which is based on proposals put forward by the Manpower Services Commission (MSC, see p 248), will be fully in operation by September 1978 and will double the number being helped under current schemes (see pp 333-4 and 413, 1976).

Mr Booth also announced two new plans to deal with adult unemployment (see below) and the extension of the Youth Employment Subsidy (see p 333, 1976), modification to the Job Release Scheme (see p 413, 1976) and an additional 10,000 places in further education.

Measures for Young People

Youth Opportunities Programme

In his statement, Mr Booth said that youth unemployment remained unacceptably high and was likely to remain high for some time to come. In deciding to launch the new programme, the Government had also taken into account the relevant report on the Job Creation Programme of the Social Services and Employment Subcommittee of the House of Commons Expenditure Committee. 'It is our firm intention that no summer or Easter school-leaver who remains unemployed the following Easter should remain without the offer of a place under the programme. The Government will ensure that the necessary resources are available for this purpose and the MSC will arrange the programme accordingly', Mr Booth said. The MSC and the Government would review the size of the total programme every year against the prospects for youth unemployment, and account had been taken of the possibility of assistance from the European Social Fund. The new programme would draw together and build on existing schemes for young people and would provide an integrated range of courses and opportunities to give unemployed young people the best chance of finding a satisfactory permanent job at the earliest possible moment.

The programme will consist of work preparation courses, by means of which young people will be prepared for work through training, on employers' premises and in further education establishments and skillcentres; and work experience, that is, practical experience with training on employers' premises, by participation in sponsored projects, and in training workshops and community service.

The various elements of the programme will last from a few weeks to one year, and young people will be able to move from one part of the programme to another depending on their needs. Each person will receive an allowance of £18 a week, including £2 for travel expenses; there will be discretion to pay more for travel in exceptional circumstances.

The programme aims to avoid disrupting the normal flow of young people into permanent jobs. As about one-third of young people who join the unemployment register leave within one month, the programme will only be open to young people who have been registered for six weeks or more. 'The emphasis will be on those who are the least qualified with the poorest employment prospects', Mr Booth said.

As with the present schemes, none of the courses for individuals will last longer than one year, though this rule may be relaxed to help individual young people with no permanent job to go to,

in areas of very high youth unemployment. To allow for a smooth transition from the present schemes, the Job Creation Programme (see p 409, 1975), which was due to close for applications on 31 August 1977, will be extended until the end of 1977, after which applications under the new arrangements will be received. The Work Experience Programme (see p 334, 1976), also due to close for applications on 31 August 1977, will continue into the new programme. So far more than 100,000 young people have already been helped under these two schemes. The new programme will also place additional demands on the Careers Service and on further education teaching establishments, and there will be provision for 170 more careers officers in addition to the 320 already agreed under the present special measures. The programme will also be complemented by measures to enable more school-leavers to continue their education (see below).

The Youth Employment Subsidy, which is due to close for applications on 31 August 1977, will be extended until 31 March 1978.

Job Release Scheme

Mr Booth also announced that the Job Release Scheme, which was due to close for applications on 30 June 1977, will be extended for applications until 31 March 1978. The scheme will continue to be limited to assisted areas, but from 1 July 1977 it will only be open to those people in employment who are releasing a job for a young unemployed person.

Further Education

Following Mr Booth's statement, the Secretary of State for Education and Science, Mrs Shirley Williams, said that the Government's response to the MSC proposals would give the education service an important role within the new programme, which provided for a complementary education programme enabling more 16- to 18-year-olds to continue their education. Mrs Williams expected the education service to continue to be a major provider of courses, especially short industrial courses to improve a young person's chances of employment and courses designed to help a young person to find and keep a job; moreover, it was an additional feature of the programme that all forms of work experience should, wherever possible, include a fully integrated element of further education. Mrs Williams added that local education authorities would have to take a full part in the planning and management of the programme.

The Government was now prepared, Mrs Williams said, to make resources available for a further 10,000 full-time equivalent places for 16- to 18-year-olds in colleges of further education in Great Britain [over and above the present projections to 1980-81] at an estimated gross recurrent cost in a full year of £11 million; to authorise capital provision for the additional places, at a cost of the order of £27 million, to be reflected in the further education building programme over the next five years; and to authorise a building starts programme to provide additional accommodation for this purpose.

Measures for Adults

From 1 April 1978 there will be two further provisions to help unemployed adults: namely, 8,000 places for adults from the unemployment register to instruct and supervise youngsters on the work experience courses; and a special temporary employment programme (STEP) to provide temporary employment opportunities for up to one year for those aged 19 and over. The MSC will be asked to build STEP up to 25,000 places. Projects will be concentrated on areas of exceptionally high unemployment and priority will be given to maintaining the number of places currently provided under the Job Creation Programme for those aged 19-24. There has been a marked increase in the number of long-term unemployed and STEP will provide many more temporary employment opportunities for them. Pay in these schemes will be at the going rate for the job subject to a certain limit.

It is estimated that STEP will cost about £68 million when fully operational, though the net cost will be about one-third of this gross cost, after savings on unemployment and other benefits have been taken into account.

SOCIAL AND CULTURAL AFFAIRS

Race Relations Act 1976

On the coming into force of the Race Relations Act 1976 on 13 June (see p 36) the Home Secretary, Mr Merlyn Rees, wrote to Mr David Lane, Chairman of the Commission for Racial Equality, as follows:

'I write now to mark the beginning of the commission's work and to take the opportunity to restate clearly and firmly the Government's support for it.

'There can be no doubt the new legislation was necessary because of the growing evidence of the persistence of widespread discrimination and the ineffectiveness of the existing law in eradicating it. The new legislation strengthens that law and is designed to be more effective in practice as well as in principle. The Government is convinced that it is right to put discrimination on the same footing as other forms of civil wrong and to make redress available to victims of discrimination by direct access to the courts and industrial tribunals.

'Although individuals now have the opportunity to take action themselves against the discrimination they experience, the success of the legislation must not be left to stand or fall on the basis of self-help. The commission has an important part to play in ensuring its success. The discretionary powers which the legislation gives the commission for helping individual victims are sufficiently comprehensive to enable it to play its full part in supporting them; and the Government expects that the commission will take full advantage of these powers.

'None of this is to discount the commission's wider law enforcement role. It must take maximum advantage of the fundamental change which the new legislation embodies in assigning to the commission the power to set up, on its own initiative, investigations into unlawful discrimination. Enforcing the law in the public interest cannot be left entirely to individual victims. They may be ignorant of the fact that they have suffered discrimination or they may not wish to exacerbate it by seeking redress on their own account. The commission must initiate action where this will contribute to the removal of unlawful discrimination. I see it also taking action in other areas which cannot effectively be left to the individual, such as discriminatory advertising.

'But unlawful discrimination is only one of the impediments to racial equality: many factors combine to perpetuate the disadvantages which the minorities experience. Prejudices and preconceptions about immigrants, and their children, exacerbated by their disadvantageous backgrounds, can be as influential as overt discrimination. Unless a conscious effort is made to ensure that practices, whether in employment, in housing or elsewhere are fair in fact as well as in theory, the disadvantages of the minorities are likely to be perpetuated. It is therefore essential that there should be a body charged with promoting policies which will contribute to the achievement of equal opportunity.

'It follows that the Government considers that the commission can rely on the stronger powers given to it for its promotional work to enable it to build on the advisory and educational role of the Community Relations Commission. The development of policies in the public sector to ensure that the services provided to the community at large reach the minority communities in proportion to their needs is fundamental to race relations policy. The Government looks to the new commission to play its part in developing these policies; and the contribution which the commission's chairman will be able to make to the new Standing Advisory Council[1] in this context will be of the greatest importance.

'The Government is conscious of the need to ensure that policies developed nationally are fully effective at the local level where ultimately the future of race relations will be determined. The local community relations councils have not been directly affected by the statutory reorganisation but they provide an essential link between the minority communities and the authorities. The establishment of a single statutory body covering all aspects of race relations policy, including the responsibility for the support of these councils, is therefore an important step forward since it will enable the commission to carry out all its duties with a knowledge and understanding of the situation at the local level.

'The new commission has a wide remit and great responsibilities are placed on it. It takes over the responsibilities of the Race Relations Board and the Community Relations Commission but in ways, and with powers, which make it more than simply the sum of these two organisations. It has to win the support of the minorities and at the same time the acceptance of the community as a whole, in whose name it must work. It must be a responsible

[1]The intention to establish the Standing Advisory Council to advise the Home Secretary on race relations matters was announced in September 1975 (see p 419, 1975). Its first meeting was held on 22 June.

agency working for the enforcement of the law and the promotion of the public interest.

'The Government and the commission have the same objective – the removal of any form of racial discrimination from our national life; and in the pursuance of this common objective the Government will co-operate closely with the commission in its work. At the same time the Government will expect the commission to be an independent and, where necessary, critical partner. We undertake to give it our full support and I send my personal good wishes for success to you, the deputy chairmen and to your other colleagues as well as the staff in the difficult and essential task which you have all undertaken.'

PROVISIONS OF THE ACT

The main provisions of the Act are outlined below.

The new Race Relations Act extends the scope of the law against discrimination and provides individual victims of discrimination with fuller redress through the civil courts and industrial tribunals. Under the Act the new Commission for Racial Equality has a strategic role in tackling discrimination and promoting equality of opportunity. It also has discretion to help individual victims of discrimination. It is responsible for supporting and co-ordinating the work of local community relations councils. The Act also strengthens the criminal law against racial incitement.

The Act, which follows closely the form of the Sex Discrimination Act 1975, replaces the Race Relations Acts 1965 and 1968. It deals with racial discrimination in employment, training and related matters, in education, in housing and in the provision of goods, facilities and services; and it extends the law to cover discrimination by private clubs. It applies to discriminatory advertisements and also makes unlawful pressure to discriminate and aiding discrimination. The new commission replaces the Race Relations Board and the Community Relations Commission.

Definition of Discrimination

The Act defines two kinds of conduct which constitute racial discrimination: *direct discrimination* which consists of treating a person less favourably on 'racial grounds' (that is, on the grounds of colour, race, nationality or ethnic or national origins); and *indirect discrimination* which involves practices which are discriminatory in their effect on a particular racial group and cannot be shown to be justifiable.

Employment

Part II of the Act applies to employment and related matters. It is, for example, unlawful under the Act for an employer to discriminate in the recruitment of new employees or in his treatment of existing employees (in such matters as promotion, training, transfer and dismissal).

There are some limited exceptions in the employment field. These relate to employment in a private household; employment where being of a particular racial group is a qualification for a particular job; and employment and training (for example, under trade or aid commitments) for persons from abroad who come to Britain to learn skills which they will then take back and use in their own countries.

Education

Discrimination is unlawful under the Act as regards admissions to, and the provision of facilities in, educational establishments in both the public and private sectors; and bodies in the public sector of education are further placed under a duty to ensure that the facilities for education are provided without racial discrimination. The extension of the definition of discrimination to cover indirect discrimination comes into force in relation to the education provisions on 1 September.

Goods, Facilities and Services

Discrimination in the provision to the public or a section of the public of goods, facilities and services (including, for example, loans, finance, mortgages and facilities for recreation and entertainment) and of housing accommodation is unlawful. Fostering and the boarding out of people in need of special care is excluded from the scope of this provision; and as regards the provision of accommodation there is an exception where the accommodation is in small premises, as defined in the Act.

Clubs and Associations

It is unlawful for clubs and associations with 25 or more members to discriminate in the selection of new members and in the treatment accorded to existing members. However, there is an exception for discrimination (though not for discrimination on the ground of colour) by a club or association whose main object is to enable the benefits of membership to be enjoyed by persons of a particular racial group.

General Exceptions

There are a number of general exceptions in the Act: for discrimination (save on the ground of colour) in order to comply with charitable instruments; for nationality, place of birth or residence requirements relating to participation in sports and games; for acts done in pursuance of existing legislation and certain approved arrangements; and acts done to safeguard national security. There are also exceptions to permit the special needs of particular racial groups in education, training and welfare to be met; and to permit education or training to be provided only or mainly to people coming to Britain from abroad on a temporary basis.

ENFORCEMENT

Individual Complaints

Hitherto, under the Race Relations Act 1968, all complaints of discrimination had to be made to the Race Relations Board, which had the sole right to institute legal proceedings. Under the new Act individuals will generally have direct access to the courts or, in employment, training and related cases, to industrial tribunals. For those educational bodies in respect of which the Education Ministers

have powers of direction under the Education Acts, complaints will go first to the Education Ministers.

The remedies available from the courts are damages (including damages for injured feelings), a declaration of rights or an injunction. Industrial tribunals are able to declare the rights of the parties, make a recommendation as to a particular course of action, or award compensation (which can also cover injured feelings).

Commission for Racial Equality

The commission has wide-ranging powers. In its enforcement role it is able to investigate unlawful discriminatory practices and issue 'non-discrimination notices' requiring the cessation of those practices; these notices are enforceable in the courts by way of an injunction or order. It will also have discretion to assist individuals with their complaints.

The commission has a most important part to play in giving advice on better practices, and in general educating and changing public attitudes to give reality to the idea of equal opportunities. It will for instance be able to issue codes of practice in the employment field for these purposes.

It takes over the powers of the Community Relations Commission to support and co-ordinate the work of local community relations councils and other bodies.

Incitement to racial hatred

The Act strengthens the criminal law on incitement to racial hatred. It is an offence to publish, distribute or use threatening, abusive or insulting language in circumstances in which it is likely that racial hatred will be stirred up. It is no longer necessary (as it was under the previous offence in section 6 of the Race Relations Act 1965) for the prosecution to prove a subjective intention to stir up racial hatred on the part of the person accused.

There are exceptions, however, for fair and accurate reporting of judicial and parliamentary proceedings; and there is a defence for the unwitting publisher or distributor. As under section 6 of the 1965 Act no prosecutions for incitement to racial hatred will be able to be brought in England and Wales except by, or with the consent of, the Attorney General.

Housing and Planning

The results of major Government reviews of housing policy and inner city policy were published in June.

HOUSING REVIEW

The results of a comprehensive review of housing policy in England and Wales are set out in a Government consultative document published on 28 June.[1] The document takes stock of the national housing situation, and discusses both the achievements of the past and the problems for the future. A similar review has been carried out in Scotland (see below). The starting point of the Government's national policy is a belief – the dominant theme of post-1945 British housing – that all families should be able to obtain a decent home at a price within their means.

[1] *Housing Policy: a Consultative Document.* Cmnd 6851. HMSO, £2·50. ISBN 0 10 168510 6.

Conclusions

The Government's conclusions on the review were outlined in the House of Commons by the Secretary of State, Mr Peter Shore (*Hansard,* 28.6.77, cols 247-62). The following are the main points, together with certain details from the consultative document.

1 Housing conditions have been transformed in the last 25 years. Since 1951 some 7½ million new homes have been completed and nearly 2½ million renovated. In 1951 more than two out of three households were living in physically unsatisfactory conditions or were sharing; in 1976 the figure had fallen to one in seven. (The consultative document notes that housing in England and Wales appears to compare reasonably well in terms of basic amenities and space with countries in both Western Europe and North America. First results of the 1976 English house condition survey indicate that since 1971 there has been a substantial reduction in the number of substandard houses: the number of unfit dwellings has declined from 1,147,000 to 794,000 – almost a fifth of these houses were vacant at the time of the survey – and the number lacking one or more basic amenities has declined from 2,655,000 to 1,493,000.)

2 Substantial needs remain, however, not least in respect of the (2·7 million) households living in unsatisfactory conditions or sharing, and new problems – particularly those of the elderly, the disabled, the single and the mobile – are emerging.

3 Now that there is no longer an absolute national housing shortage – by 1976 there were some 500,000 more houses than households – the Government believes that it is not sensible to consider housing as a single national problem, but rather as a series of local ones requiring attention area by area.

4 The clearance of 'irredeemable' slums is now almost at an end. The Government considers that greater emphasis should be placed upon the renewal and modernisation of property wherever possible. A substantial level of new housebuilding will still be needed, however, not only to deal with the replacement of bad housing but also to cope with the rising number of households over the next ten years or so.

5 A demand and need for an adequate supply of rented accommodation remains which will be met overwhelmingly by the public sector. Equally there is a strong and growing desire for house ownership which the Government believes should be met. (About 55 per cent of houses in England and Wales are owner-occupied, 30 per cent are rented in the public sector and 15 per cent are rented privately. The corresponding figures in 1951 were 31 per cent, 17 per cent and 52 per cent.)

A Programme for the Future

At the heart of the Government's approach to meeting the housing needs of the next ten years or so lies a new role for local authorities in developing four-year housing strategies and investment programmes, which will embrace both public and private sectors, in partnership with building societies, housing associations and the housebuilding industry. The programmes are seen as the cornerstone of proposals for rationalising and improving the whole system of housing finance. Each will consist of a description of general housing strategy, information about current levels of population, households and housing stock, and expected changes in the following four years. There will also be a financial statement including spending proposals on the whole range of housing activities – new housebuilding, slum clearance, improvements, acquisitions, private sector improvement grants, home loans and lending to housing associations.

The objective behind the local strategy and investment programme is to achieve a more flexible and sensitive approach by both central and local government in determining local priorities and ensuring that resources go where they are most needed. Not only will the investment programmes have a major influence in deciding national priorities for housing expenditure, but they will also enable the Government to allocate resources according to need, and to plan national expenditure along the lines the local authorities themselves think most appropriate. The new arrangements, to be introduced in 1978-79, represent a fundamental change in the relationship between central and local government. Central Government will be able to discuss housing needs with individual local authorities, although each authority will be able to carry out the strategy for its area with a minimum of detailed intervention from the centre; and it will be easier for authorities to respond quickly to changing needs.

The Secretary of State for the Environment is proposing to establish with the local authorities a Housing Consultative Council for England to co-ordinate national and local policy.

To help the programme of house renewals the Government proposes that the emphasis should be on bringing more unsatisfactory houses up to a basic standard, rather than fewer houses to a higher standard. Repairs-only grants will be made more widely available, and increases are being considered in existing cost and rateable value limits for improvement grants.

The Government intends to speed up procedures for dealing with empty houses through compulsory purchase orders. It is to urge local authorities to take more leases of empty privately-owned homes and to reduce vacancies in their own stocks.

The Government welcomes the clear desire of many people to own their own homes, and wishes to facilitate this wherever possible. There is to be special help for first-time house buyers. Legislation is to be introduced providing for a Government bonus for savers, together with a Government loan of up to £500 interest-free for the first five years. Proposals are made for building societies to lend more money 'down market' to people with modest incomes, and on older property. The Government is seeking to build on the measures already taken to secure a reasonably stable and adequate flow of mortgage funds, and to develop partnerships between local authorities and building societies, with local authorities complementing the societies' work through 'topping up' loans and other measures. Local authorities will be enabled to bring interest rates on their house purchase loans into line with those of the building societies.

The problems arising from the long-term decline in the private rented sector – of special significance in London and other cities – are being studied in an official review of the Rent Acts (conclusions are expected by the end of 1977), but at this stage the Government proposes to encourage letting by resident private landlords and the letting of accommodation over shops and other businesses. Private tenants are to be allowed to apply for grants to improve their homes.

To protect the rights of the public sector tenants, a tenants' charter is proposed, comprising a code of principles and practices, together with legislation to provide security of tenure. Tenants will be encouraged to carry out improvements, and will be reimbursed for substantial improvements when their tenancy ends.

The Government also wants to see wider experimentation with new forms of tenure which lie between home ownership and renting – equity sharing, co-operatives, co-ownership – and wishes to encourage further the voluntary housing association movement.

Special policies are proposed to help particular groups of people who need separate attention – for example, the elderly, the disabled and the handicapped, the homeless and one-parent families.

Scotland

A complementary consultative document on Scottish housing policy was also published on 28 June.[1] Its contents were outlined in the House of Commons by the Secretary of State for Scotland, Mr Bruce Millan (*Hansard*, 28.6.77, cols 262-72).

The document describes the great progress made in overcoming housing shortages in Scotland, particularly by the local housing authorities, but it also stresses the continued housing needs, with new problems arising as older ones are solved. Many of the policy initiatives proposed are similar to those put forward for England and Wales – for instance, the local authority housing strategy, the distribution of Government financial support so as to reflect more fairly the different needs of different areas, the special measures to help first-time home buyers, a model agreement for tenants renting a public sector home, and the need to take more account of people with special problems.

For background information on British housing, see COI reference pamphlet, *Housing in Britain*, R5875, and fact sheet, *Housing*, FSB/C7.

INNER CITY POLICIES

Further details of the Government's plans to tackle the problems of inner city areas were published on 15 June in a White Paper, *Policy for the Inner*

[1] Cmnd 6852. HMSO, £1·75. ISBN 0 10 168520 3.

Cities.[1] The White Paper is the outcome of a major review of inner city policy, and expands on the statement made by the Secretary of State for the Environment in April (see pp 203-4). The main immediate emphasis is to be on the problem of the major cities, with a recasting and considerable expansion of the Urban Programme and the formation of special partnerships between the Government and certain local authorities to focus efforts on a few cities with particular problems.

The Secretary of State for the Environment announced on 1 July that a further £16 million of the £100-million construction aid programme for inner cities over the next two years was being offered to nearly 40 English authorities (*Hansard*, written answers, cols 369-70). (Of the total aid, England is being allocated £83 million, Scotland, £10 million, Wales, £5 million and Northern Ireland, between £2 million and £3 million. It has already been announced that some £57 million of the English allocation is to be distributed among the main 'partnership' authorities – see p 204. Programmes for the remaining £10 million for England will be sought in the light of further developments in policy.)

Inner Area Studies

The final reports of three inner area studies – covering parts of Liverpool, Birmingham and Lambeth (London) – were published in June.[2] They represent the culmination of four years' work by consultants in collaboration with the local authorities concerned, and involved not only research into a wide range of inner city issues but also a large number of action projects to shed further light on the issues and to bring practical benefits to local residents. Work on the studies made an important contribution to the Government's White Paper, and nearly 40 specialised reports, on separate policy aspects and on action research, have so far been published.

Royal Commission on the Press

Measures to strengthen the monopoly laws as they affect newspapapers, and changes in the composition and procedures of the Press Council, are recommended by the Royal Commission on the Press in its *Final Report* published on 7 July.[1] The commission is, however, against subsidies for the press and any form of Government assistance.

The report covers a wide range of other matters concerning the British press, including freedom of expression within the limits of fair comment, the proposed charter of press freedom, the rights of individuals to privacy, the maintenance of diversity, training and industrial relations.

The Government wishes to have a period of wide-ranging public consultation on the commission's recommendations.

Economic Aspects

Several of the national daily and Sunday newspapers are likely, in the commission's view, to continue to be unprofitable, or profitable only in good years, but how long they can survive is seen as impossible to predict – for example, because of uncertainties about production costs, the economies to be derived from the introduction of new technology, labour disputes and advertising revenue. There has been little increase in the concentration of ownership in the national press since the last Royal Commission reported in 1962.

The provincial press is generally very profitable, with the exception of some morning papers. This is because many provincial papers or groups of papers enjoy a monopoly of readers or advertising revenue in their areas. There is little prospect, the commission believes, of local evening newspaper monopolies being challenged by new papers, and only slightly better prospects of new competition among weeklies. There is still, however, some competition between weekly newspapers owned by different publishers.

Concentration of ownership and the geographical extension of monopoly in provincial newspapers have increased since 1962 not only because of the economies of scale which can be achieved by amalgamations, but also because of factors affecting small businesses generally, such as the impact of capital transfer tax on family firms.

The number of periodicals is increasing, and there are well over 4,300 conventional titles and hundreds of 'alternative' publications.[2] The circulation of a number of journals of opinion continues to decline, but none, the commission finds, seems in danger. Increased postal charges have caused difficulties for some types of publication.

Monopoly and Concentration

After examining the growth in concentration in ownership in the provincial press, the royal commission, while recognising that at times mergers and acquisitions are necessary, proposes changes in the legislation designed to discourage the growth of large, regional groups, whether owned by national or regional companies. As well as changes designed to increase the number of proposed mergers and acquisitions which would come within the scope

[1] Cmnd 6845. HMSO, 60p. ISBN 0 10 168450 9.

[2] *Change or Decay: Final Report of the Liverpool Inner Area Study*. HMSO, £6. ISBN 0 11 751143 9.
Unequal City: Final Report of the Birmingham Inner Area Study. HMSO, £9. ISBN 0 11 751142 0.
Inner London—Policies for Dispersal and Balance: Final Report of the Lambeth Inner Area Study. HMSO, £6. ISBN 0 11 751141 2.
Summaries of the three reports are contained in *Inner Area Studies—Liverpool, Birmingham and Lambeth: Summaries of Consultants' Final Reports*. HMSO, £1·50. ISBN 0 11 751135 8.

[1] Cmnd 6810. HMSO, £4·25. ISBN 0 10 168100 3. The commission's interim report on the national newspaper industry was published in March 1976 (see p 186, 1976). A number of research papers is being published.

[2] The alternative press probably includes at least 500 titles. Most are devoted to radical politics, to religion and the occult, and to science and ecology.

of the Monopolies and Mergers Commission, it proposes that this commission should apply a more exacting test of approval.

No specific recommendations are made for new measures to deal with concentration in either the national or the periodical press.

Reviewing the current policy towards press shareholdings in broadcasting companies, the commission recommends a number of changes designed to decrease them in future. It also proposes that steps should be taken to ensure that the ownership of newspapers and periodicals should be displayed prominently in each issue.

Subsidy Schemes

A number of schemes for subsidising the press are examined but the commission concludes that all of them would carry unacceptable dangers such as those of newspapers becoming permanently dependent on public funds or of a public body having to discriminate like a censor between one publication and another.

Newsprint and Distribution

The commission does not think that there is any call for fundamental change in the two major industries associated with the press, the newsprint industry and the distribution industry. It believes that the price of newsprint will probably continue to rise relative to costs in general, and welcomes the prospect of the continued production of newsprint in Britain.

Diversity

In numbers and ranges of titles the press is in general very diverse, the commission says, but there is much less diversity among the large national and provincial papers. The existence of a large number of small publications does not of itself secure diversity of opinion because most of them are not widely available.

The commission attaches importance to the fact that nine daily national newspapers are available throughout the country. It welcomes the decision of the trade union and labour movement to study the possibility of launching a new national daily paper.

In many areas, it concludes, there is no escape from monopoly in the local and regional press, but measures to arrest the trends towards greater concentration and less diversity are desirable. Among periodicals there is no lack of diversity, and their number and variety, particularly among the alternative and community press, are seen as the clearest sign of the vitality and freedom of the British press.

Performance

The account of the performance of the press is based on the evidence submitted to the Royal Commission and on special research. The results of the research are set against the basic standards of truth, accuracy and fairness, and various common criticisms of press performance. The commission itself is careful not to seek to sum up the mass of evidence in a few words, but it presents an impression of newspapers generally pleasing their readers and providing what is expected of them. On the other hand, the commission records, newspapers are less diverse in their contents than many people would have expected; they put too great an emphasis on bad news and conflict; insufficient background to the news is provided; and some major institutions such as trade unions are covered inadequately. The commission observes that there are enough breaches of acceptable standards in such matters of intrusion of privacy and sensationalism to be worthy of comment and criticism.

Some witnesses who gave evidence to the commission alleged that the press was systematically biased against the left in general and the labour movement in particular. While noting that some national newspapers are strongly partisan against the left, the commission concludes, in the light of the situation in the past and the non-partisan alignment of much of the provincial press, that taking the press as a whole at present the balance against Labour is not a strong one.

Editors and Journalists

The importance is stressed of an editor's having certain rights over the conduct and contents of his publication as a safeguard against undesirable pressures. The commission does not propose that these rights should be set out in a model form of contract for editors, since different kinds of publication require different relationships between editors and proprietors, but it does recommend as a vital provision for safeguarding independence that the editor of a large newspaper should enjoy a contract specifying at least twelve months' notice. As a corollary, journalists working on a publication should be involved in the appointment of its editor.

The commission records the recent controversial history of the 'closed shop' issue in journalism. In the context of the Trade Union and Labour Relations (Amendment) Act 1976 and the discussion of a charter of press freedom which has followed (see pp 27-9, 1975 and p 145, 1976), the commission sets out safeguards for press freedom which it believes to be essential. It proposes voluntary methods for securing them under existing law and machinery, and says that an independent body should assess the working of the voluntary system after three years, and be empowered to recommend legal sanctions if it finds that it has not been successful. The safeguards cover the right of individuals to act and write in accordance with their conscience, the rights of editors to control their newspapers and to join or not to join a trade union, and the right to proper appeals procedures of those expelled or excluded from a union.

Several recommendations are made about the training of journalists.

The Press Council

The commission pays tribute to the Press Council and its high standing in the world, but recommends some far-reaching changes: the council's composition should be changed so that lay members are in a majority if the chairman is included; it should be financed as at present by the newspaper industry, but given more resources to enable its work to be extended, for example by advertising its existence and the standards it upholds; it should appoint a conciliator to mediate between complainants and

publications complained of; and it should draw up a written code of conduct for journalists, express its condemnation in a more forthright way, giving reasons for its decisions, and take a stronger line on inaccuracy and bias. The commission does not recommend that the council should be given the power to impose sanctions on offenders because this would create a system of control incompatible with a free press.

The Press and the Law

Speedy Government action to implement the proposals of recent committees on official secrets (see pp 404-5, 1972),[1] privacy (see pp 327-8, 1972), contempt of court (see p 40, 1975) and the law of defamation (see p 170, 1975) is urged. The commission recommends the establishment of a special committee to enquire whether the names of people accused of minor criminal offences should be reported in the press or whether an accused person should be granted anonymity. Other changes are proposed, including one that private prosecutions for criminal libel should be abolished.

Industrial Relations

The commission's report traces developments in the national newspaper industry since the publication of the interim report in March 1976 (see p 186, 1976). One important event has been the setting up of a Joint Standing Committee, representing unions and publishers, and its preparation of proposals for the further introduction of new technology in the industry. These proposals were defeated in ballots held in each of the production unions, but the commission, which is forthright in its criticism of the present state of industrial relations in the national newspaper industry, is sure that it is vital that discussions should continue at all levels to help to deal with long-standing problems.

For background information see COI reference pamphlet, *The British Press*, R5572.

[1] Government proposals to liberalise the law and practice relating to official information were put forward in November 1976 (see pp 460-1, 1976).

DOCUMENTATION

(Documentation excludes publications referred to in Survey articles)

Government and Administration

Parliamentary Questions to the Prime Minister. The Prime Minister has agreed to answer oral questions in the House of Commons on a greater range of important subjects, even if they fall within the responsibility of other ministers. This arrangement, which will last in the first instance until the end of the current session, is one of a number of recommendations which Mr Callaghan has accepted put forward by the House of Commons Sessional Committee on Procedure on question time in the House. *Hansard,* 12.5.77, cols 1550-1.

MPs' Pay. Parliamentary salaries for all members of the House of Commons, and the salaries of ministers and office holders in the House of Lords, have been increased by £4 a week in line with current pay policy. The parliamentary pay of some MPs therefore rises to £6,270. Other members receive £5,928 because they were obliged under last year's pay policy to forgo an increase of £312 since their total earnings from all sources exceeded £8,500 (see pp 307-8, 1976). MPs' secretarial allowances have been increased by 5 per cent to £3,687 per annum. *Hansard,* 29.6.77, written answers, cols 205-6.

Local Government Finance in Scotland. Cmnd 6811. HMSO, 55p. ISBN 0 10 168110 0.

The Gilbert Islands. COI, FS/9.

External Affairs and Defence

United Kingdom and Community Energy Policy. A record of the UK Presidency of the Energy Council, January-June 1977. Department of Energy.

Report of the Commonwealth Secretary-General 1977. Commonwealth Secretariat, Marlborough House, London.

Exchange of Notes concerning an Interest Free Loan by the Government of the United Kingdom . . . to the Government of the People's Republic of Mozambique. [The Agreement entered into force on 17 August 1976.] Cmnd 6824. HMSO, 50p. ISBN 0 10 168240 9.

Economic and Scientific Affairs

Export Growth. The volume of total British exports is expected to increase by three to four per cent between the first and second half of 1977, according to forecasts based on the Department of Trade's latest survey into export prospects among Britain's major exporting companies. For 1977 as a whole the increase over 1976 is expected to be around seven per cent. These companies expect their own export volume in the second half of 1977 to be 13 per cent up on the same period in 1976; the value of their exports is expected to rise by 27 per cent between the same periods. *Trade and Industry,* 17.6.77.

Invisible Trade. An article in *Economic Progress Report* No 87 shows that more than one-third of Britain's earnings from abroad comes from invisible transactions – mainly earnings from services such as transport, tourism, banking and insurance, and interest, profits and dividends earned on British investments overseas. The net surplus on invisibles has risen considerably in recent years, reaching a record level of £2,116 million in 1976, an increase of nearly 40 per cent over 1975; it is currently estimated to be running at a rate of about £220 million a month. Available from Circulation Section (H), Central Office of Information.

Importation of Animals Order 1977. The order, which comes into force on 1 July 1977, modernises and streamlines the regulations dealing with imports into Great Britain of ruminating animals and swine, and prohibits the landing of such animals except by licence. Licences are granted by the Ministry of Agriculture, Fisheries and Food or the Department of Agriculture and Fisheries for Scotland and may contain conditions designed to prevent the introduction or spread of animal diseases into or within Great Britain. A licence will also be required for animals on board a vessel which enters harbour in Great Britain even if the animals are not landed. Quarantine will be required when the disease risk involved in importing the animals warrants it. SI 1977/944. HMSO, 50p. ISBN 0 11 070944 6.

New Projections of Future Labour Force. A growth in the labour force of 170,000 a year on average is projected between 1977 and 1981, and a further 210,000 between 1981 and 1986, in a new study

published in the June 1977 issue of the *Department of Employment Gazette.* The main factors which are expected to affect the size of the labour force over the next few years include: (a) the number of young people entering the labour force will be unusually high because of high birth rates in the late 1950s and early 1960s; (b) the numbers reaching the age of retirement will be below average; (c) the proportion of married women who are working or looking for work may continue to rise although less rapidly than in recent years; (d) the numbers of people in full-time education are expected to increase; and (e) the gradual underlying fall in the proportion of men and single women who continue to work beyond the age of 60 is expected to continue.

Agriculture into the 1980s: Manpower. A report prepared by the National Economic Development Office (NEDO) on behalf of the Economic Development Committee for Agriculture. The report stresses the importance of agricultural education and training and says that although there are likely to be sufficient manpower resources to meet the Government's expansion programme (see pp 31 and 75), there remains a need to ensure that a sufficient proportion of the workforce will be adequately skilled. Available from NEDO Books, 11 Tothill Street, London SW1H 9LJ. 90p. ISBN 0 7292 0195 3.

Entry of Young People into Working Life. General Report. Organisation for Economic Co-operation and Development. HMSO, £3. ISBN 92 64 11641 9.

National Dock Labour Board. Annual Report and Accounts 1976. National Dock Labour Board, 22-6 Albert Embankment, London SE1 7TE. 20p.

Health and Safety Commission. Discussion Document. Proposed scheme for the notification of the toxic properties of substances. Available from the Enquiry Point, Health and Safety Executive, Baynards House, Chepstow Place, London W2 4TF. 50p.

Manpower and Employment in Britain: Trade Unions. COI, R5682.

Wages Councils. The work of the Wages Inspectorate and of wages councils, which fix statutory rates of pay and other terms and conditions of employment for some three million workers in Britain, is described in *Employment News 44*, available free from the Department of Employment (INF 3), 12 St James's Square, London SW1Y 4LL.

Pay Differentials and the Dispersion of Earnings. An article in the June 1977 issue of the *Department of Employment Gazette* shows that an examination of trends in relative pay over recent years, and their historical context, suggests that longer term and structural factors are of greater importance than short-term policy interventions. Overall, the dispersion of earnings among full-time men and full-time women is shown to have remained comparatively stable between 1970 and 1976 apart from a steady decline in the relative position of men in the top 1 per cent or so of the earnings distribution – those earning around £10,000 a year or more.

Prices Policy. The Price Code and the Safeguard Regulations. A Consultative Document. The document contains the Government's proposals for a new Price Code, together with draft regulations to provide safeguards from the effects of the new investigatory powers (see pp 120-2). The document makes it clear that the continuation of profit margin controls is conditional upon the approval by Parliament of a White Paper on pay policy after 31 July 1977. Cmnd 6861. HMSO, 75p. ISBN 0 10 168610 2.

The Law Commission and the Scottish Law Commission – Liability for Defective Products. Recommendations for the reform of the law on compensation for injury or loss caused by defective products. Cmnd 6831. HMSO, £1·60. ISBN 0 10 168310 3.

Inquiry into the Engineering Profession. The Secretary of State for Industry has announced the appointment of a committee of inquiry, under the chairmanship of Sir Montague Finniston, former chairman of the British Steel Corporation, with the following terms of reference: 'to review for manufacturing industry and, in the light of national economic needs, (1) the requirements of British industry for professional and technician engineers, the extent to which these needs are being met, and the use made of engineers by industry; (2) the role of the engineering institutions in relation to the education and qualification of engineers at professional and technician level; (3) the advantages and disadvantages of statutory registration and licensing of engineers in Britain; (4) the arrangements in other major industrial countries, particularly in the European Community, for handling these problems, having regard to relevant comparative studies; and to make recommendations'. *Hansard,* 5.7.77, written answers, cols 483-4.

Investment Potential in the North-East and North-West of England. This report by the National Enterprise Board (NEB) was published on 27 June and is available unpriced from them at 12 Grosvenor Gardens, London SW1W 0DW. On the same day reference was made to the report in the House of Commons by the Secretary of State for Industry, Mr Eric Varley, who said that the NEB would vigorously pursue the proposals made in the report. These included the setting-up of contracting companies to assist small firms in several industrial sectors, notably in metal-working. The Government, he said, accepted the recommendations made in the report that the Special Development Areas should receive a larger proportion of regional selective financial assistance than hitherto. He gave details of some of the measures to be taken to favour those areas. *Hansard,* 27.6.77, oral answers, col 29.

Highland and Islands Development Board. Eleventh Report 1976. Highland and Islands Development Board, Bridge House, Bank Street, Inverness. £1·75. ISBN 902347 53 5.

Footwear Industry Study Steering Group Report. The steering group was formed in March 1975, at the invitation of the Department of Industry, to consider ways of improving the efficiency and international competitiveness of the British footwear manufacturing industry. Its report contains some 55 recommendations for action including several schemes which would require a maximum of over £11 million of Government financial assistance. The report also covers the size and structure of the industry and recent trends in its performance and includes an analysis of its needs and problems. Copies are available from the Department of Industry, Room LG37, Central Library, 1 Victoria Street, London SW1H 0ET. £4·60.

Pharmaceuticals. COI, FSI/33.

Agricultural Development and Advisory Service Annual Report 1975-76. In this report, horticulture and livestock husbandry have been selected for particular mention, including reference to some of the investigational and development work carried out at the Ministry of Agriculture, Fisheries and Food experimental farms and horticulture stations and in collaboration with the Agricultural Research Council. The report also includes other articles on the production aspects of a number of commodities ranging from summer milk production and livestock feeding, to potato growing and the sale of produce direct to the public. HMSO, £2·75. ISBN 0 11 241132 0.

Convention on Conduct of Fishing Operations in the North Atlantic. [The Convention was signed by 17 countries in 1967 and entered into force on 26 September 1976.] Cmnd 6799. HMSO, 35p. ISBN 0 10 167990 4.

Schedule to the International Whaling Convention 1946. The schedule contains the amendments made by the International Whaling Commission at its meetings held in London in 1975 and Cambridge in 1976. Cmnd 6797. HMSO, 35p. ISBN 0 10 167970 X.

Coal Technology. COI, SN6021.

Coal. COI, FSI/15.

Gas. COI, FSI/14.

Energy Policy Review. Energy Paper 22. Department of Energy. HMSO, £1·75. ISBN 0 11 410606 1.

Report of the Inquiry into Serious Gas Explosions. Department of Energy. HMSO, £1·75. ISBN 0 11 410608 8.

Tidal Power Barrages in the Severn Estuary. Recent evidence on their feasibility. Energy Paper No 23. HMSO, £1·50. ISBN 0 11 410607 X.

The Prospects for the Generation of Electricity from Wind Energy in the United Kingdom. Energy Paper No 21. The report indicates that exploitation of wind energy in Britain using large machines installed where there are high average wind speeds could become economic if there were large increases in fossil fuel prices, although the number of suitable sites is limited. Department of Energy. HMSO, £2·25. ISBN 0 11 410604 5.

The Parliamentary Under-Secretary at the Department of Energy announced that the Department of Energy and an industrial consortium would work on a £160,000 joint project to obtain a firmer estimate of the economics of gathering electricity from wind power in Britain. This would include a detailed design study for a large aerogenerator on a suitable site in West Scotland. *Hansard,* 23.6.77, written answers, cols 517-19.

Department of Industry—Report on Research and Development 1974-76. The department's approach is first to transfer existing technology into industrial processes and secondly to back this up with a research and development (R & D) programme carried out not only in Government research establishments but increasingly by placing R & D contracts with industry. The report points out that in 1976-77 gross expenditure will have been close to £107 million. More R & D is being undertaken in non-ferrous metals, foundry technology, corrosion and non-metallic materials such as ceramics, rubber and plastics, and glass. There are eight Research and Development Requirements Boards in the department and these are giving increasing attention to future strategy and programme priorities. HMSO, £1·25. ISBN 0 11 512033 5.

Agreement for Joint Financing of North Atlantic Ocean Stations. The agreement has now come into force for the financing of North Atlantic Ocean meteorological stations, regarded as essential to the provision of meteorological services in the North Atlantic, Europe and the Mediterranean by the United Kingdom, France, the Netherlands, Norway, Sweden and the Soviet Union. Cmnd 6833. HMSO, 45p. ISBN 0 10 168330 8.

Report from the House of Lords Select Committee on Commodity Prices. Vol I. Report of the Committee. HMSO, £1·85. ISBN 0 10 416557 4.

Second Special Report from the Select Committee on Overseas Development, Session 1976-77. Memorandum by the Secretary of State for Trade on the Second Report of the Committee. HMSO, 25p. ISBN 0 10 236777 9.

Appropriate Technology. Report by the Ministry of Overseas Development Working Party. Overseas Development Paper No 8. HMSO.

Social and Cultural Affairs

Local Authority Vital Statistics. Vital statistics for administrative and health areas of England and Wales, 1975. HMSO, 85p. ISBN 0 11 690631 6.

Annual Estimates of the Population of Scotland 1976. The Registrar General, Scotland. Edinburgh HMSO, 60p. ISBN 0 11 491479 6.

Report of the Charity Commissioners for England and Wales for the Year 1976. HMSO, 85p. ISBN 0 10 238977 2.

Report of the Parole Board 1976. HMSO, 90p. ISBN 0 10 238877 6.

Report of the Parole Board for Scotland 1976. HMSO, 50p. ISBN 0 10 246177 5.

Report of the Commissioner of Police of the Metropolis for the Year 1976. Cmnd 6821. HMSO, £2·10. ISBN 0 10 168210 7.

The Length of Prison Sentences: Interim Report of the Advisory Council on the Penal System. Recommends a reduction in the length of prison sentences for the average offender who is now given short or medium terms of imprisonment. The report is not concerned with the lengthy sentences passed on people convicted of such offences as armed robbery or serious crimes of violence. HMSO, 35p. ISBN 0 11 340057 8.

Community Service Assessed in 1976. Home Office Research Study No 39. HMSO, 75p. ISBN 0 11 340679 7.

Supplementary Benefits Handbook: A Guide to Claimants' Rights. (Fifth edition.) Department of Health and Social Security and Supplementary Benefits Commission. HMSO, 65p. ISBN 0 11 760435 6.

Education in Scotland in 1976. A report of the Secretary of State for Scotland. Cmnd 6804. HMSO, 50p. ISBN 0 10 168040 6.

Inter-University Council for Higher Education Overseas. Annual Report 1975-76. Obtainable from IUC, 90-1 Tottenham Court Road, London W1P 0DT.

Final Act of the Thirteenth Session of The Hague Conference on Private International Law including Draft Conventions and Decisions. The Hague, 23 October 1976. Cmnd 6830. HMSO, 35p. ISBN 0 10 168300 6.

Equal Opportunities Commission 1976. The first annual report of the Equal Opportunities Commission. HMSO, £1·40. ISBN 0 10 232477 8.

Subsidies and the Press in Europe by Anthony Smith. Political and Economic Planning (in association with the International Press Institute), 12 Upper Belgrave Street, London SW1X 8BB. £4. ISBN 0 85374 156 5.

Agreement on Cultural Co-operation between the Government of the United Kingdom . . . and [Mexico]. Cmnd 6818. HMSO, 25p. ISBN 0 10 168180 1.

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